This is a convenience translation of the Hebrew transcript of the Conference Call that took place on June 30, 2015 concerning a drafted outline about increasing the amount of natural gas produced from the Tamar natural gas reservoir and the rapid development of the Leviathan natural gas reservoir, Karish and Tanin and other natural gas fields. Only the original Hebrew audio recording, which can be found on the Company's website, is true and correct.

Delek Group Ltd.

June 30, 2015

Moderator: Hello and welcome to Delek Group's conference call. For your information, all the participants on this call are in listen only mode. Questions will be allowed after the issues have been presented. Instructions will be given regarding the right to speak at the appropriate time. For assistance during the call, please dial *0. For your information, this call is being recorded. Tuesday, 30th of June, 2015. Before I hand the call over to Ms Dina Vince, Delek Group's Relations Coordinator, I would like to state that, other than information regarding the history that will be provided during the call, it is possible that there will be mention of other information and/or results that constitute forward-looking forecasts, assessments, estimates or other information relating to a future event or matter that may or may not materialize and that are not under the Company's and/or the Partnerships' control. The results of the Company and the Partnerships could be significantly different due to various factors, as specified in the prospectus issued by the Company and the Partnerships, and in their reports issued to the authorities. The conference call does not replace the need to review the recent Immediate, Periodic and Quarterly reports issued by the Partnerships and the Company, which contain complete information regarding the Partnerships and the Company, including information that is considered to be forward looking information, in its meaning in the Securities Law. I will now hand over to Ms Dina Vince. Ms Vince.

Dina Vince: Thank you. Welcome everyone and thank you all for participating in this conference call dealing with increasing the volume of natural gas produced from the Tamar natural gas field, and the rapid development of the Leviathan, Karish and Tanin and other natural gas fields . With us today are Mr. Gabi Last, Chairman of the Board of Delek Group, Mr. Asi Bartfeld, CEO of Delek Group, Mr. Gideon Tadmor, Chairman of the Board of Delek Drilling and CEO of Avner, Mr. Yossi Abu, CEO of Delek Drilling, and Mr. Yossi Gvura, Deputy CEO – Financial at Delek Drilling and Avner. Asi will open the call, then Gideon and Yossi will each give us an overview. Afterwards the discussion will open to the floor for questions. Asi, please go ahead.

Asi Bartfeld: Good evening everyone and thank you for joining us at such short notice. Following the Minister of Infrastructure's presentation of the outline plan this afternoon, we decided together with the Partnerships, to try to update all the various analysts and investors and answer some of their questions. I noticed that some analysts and banks have already issued summaries today. However, we are here for you, so I suggest that Gideon and Yossi give us an overview.

Gideon Tadmor: Thank you, Asi. Let's get started. In fact, the outline plan that was published today is the outcome of long drawn-out negotiations conducted over several months between us and the government team, which is part and parcel of and follows a much longer process with which you are well acquainted. It started with the whole business of the alleged monopoly, as claimed by the Antitrust Commissioner at the time. At that point we reached an agreement, which was reneged on in December, actually stirring up the entire system with a huge fuss. We hope at this time we are close to bringing this tumult to an end, and even emerging in a better state in some ways concerning peripheral arrangements of many other issues, which we will come to in a moment. So it is not possible to see this outline plan as being detached from the long process we have been going through for several years already and with greater intensity over the past year. You have, I assume, gone over the details and you have seen the presentation given today by Minister Steinitz, so you all understand that it is absolutely obvious that we are required here to pay a heavy and complex price under this outline plan. The outline plan has several bases. One such is the antitrust arrangement. This is meant to solve the problem of the monopoly claimed by the Antitrust Commissioner. We have never had a monopoly arrangement here, but that was their claim, and it actually cast a shadow over the possibility of developing the Leviathan project. But at the same time, there are other bases. There is the issue of stability, and you can see this in the last chapter of the outline plan. As part of this outline plan, the issue we insisted on, and from our point of view an important ray of light along with the issues that we have to bear as part of the outline plan, is the fact that we will now have secured stability for at least the next 10 years to create the environment required to allow us to do what we do best: developing the businesses, bringing the gas supply from Leviathan, and expanding the supply capacity of Tamar, including through regional agreements. Another base is taxation. As we all know, under the Sheshinski Law there was also a chapter on taxation that, among other things, dealt with transfer and export prices and the average domestic price, and all the other issues that are in fact related to exporting gas from Israel. These issues had to be regulated and on this happy occasion, we settled the issues in a way that will allow us to get the pre-ruling needed for exporting the gas through regional sales, something that we have already been speaking about for a long time. Another issue that naturally hit the headlines is the issue of prices. In fact, in one go all the contracts signed to date have been approved without reopening any of them. Nonetheless, an interim period was imposed until the sale is done. We will get back to that in detail later. Yossi will deal with the entire antitrust arrangement in detail, including our commitment to also sell our holdings in Karish and Tanin, and especially the major holding we have in Tamar, and the schedule for these disposals. Yossi will get to that soon. But during the interim period until these structural changes are implemented, we in fact have price stability. And what is important here is that firstly they approve existing contracts, secondly stable prices close to the current prices, in other words, they recognize the fact that the prices that we are selling the gas for today are not monopolist prices, they are reasonable prices and all that is needed is to ensure that these prices will remain close to the current price, whether by way of the Israeli Hub which is a new concept that we are committed to under the arrangement, and by further checking the export parity. In other words, not to allow us to sell for regional export at lower prices than those on the Israeli market, or alternatively, to offer the same prices. So, in both ways we in fact maintain the existing price level, as we intended to begin with. Other issues are of course the Ministry of Energy issues, of which there are many, such as for example, the development of Tamar South West, for example various arrangements involving the export of gas. While here there is no change in the volume for export, but I would say there certainly is, simplification of export opportunities, including separation between Tamar and Leviathan that will enable us to promote the expansion of Tamar, and also as part of the splitting of ownership, thereby separating the interests of Tamar from those of Leviathan. Various other issues were very important to us, such as using the Yam Tethys facilities for the Tamar lease, the issue of property tax and other peripheral issues. So, at the end of the day, there can be no doubt this outline plan is a severe plan because for the first time it brings through the front door, I would say, criteria for price restrictions, price control. Another criterion is that of ownership, dissolution of the ownerships or breaking up the monopoly. These are restrictions and criteria that we don't find in other developed countries and which have in fact been introduced here as part of the outline plan. Yet, at the end of the day, it nonetheless also generates the appropriate environment for us to fulfill these commitments in what from our point of view is a feasible economic manner, and will allow us to continue, as I noted before, to do what we do best, to continue developing the reservoirs that we were lucky enough to discover, and to maximize the yields for our shareholders and also to benefit the State of Israel both economically and geo-politically. Finally, I want to refer to the actual government effort. I think this is the first time we have seen real efforts made here by the government ministries' bureaucracies, which already started under the previous government, with willingness, recognition of the importance of the sector and of the importance of the State's potential economic and geo-political contribution, and this has been done as part of an effort to actually integrate the work of the regulators. It needs to be understood that all the regulators but one, actually not a regulator but rather a single person in the Antitrust Commissioner's office, agree. Because we must bear in mind that the team of experts in the Antitrust Commissioner's office certainly support the arrangement. The objector is a single person, not inconsequential, but one person, and it was in this context that the government’s work was carried out. And of course, we all noticed that the new government is fully committed, including the Minister of Energy and of course with the full backing of the Prime Minister. We believe that this process that we are getting into at this time is a hearing that will bring many headlines, debates and a lot of spin, in all different directions, and all sorts of other attempts, driven mainly, I would say, by political motivations. All these things will happen and we will get through them, but at the end of the day, we hope that we will reach a point where we can do the most important thing, reorganize, to get going again, including everything related to expanding the Tamar project as well as the exports to the Egyptian market, as well as getting back to a point that will allow us at the end of the day to also carry out the Leviathan project once the export agreements and local agreements have been signed. As well as the financing arrangements. So, at this point in time this milestone that we have reached today is important for whoever looks at the end of the day at the bottom line, which we all desire, of getting back to a situation where we have a clear view of where we are heading and also the ability to set realistic schedules for development of the project. Now I will ask Yossi Abu to talk in more detail about some of the issues.

Yossi Abu: Good evening everyone. As Gideon said, we are referring here to a outline plan that, from our point of view, is a tough one insofar as we don't believe there is a country, certainly not a western country, that has imposed such an outline plan on investors and entrepreneurs in the market in general, and particularly in the natural gas market, which is primarily a very risky market involving very heavy investments. As we said, the outline plan is divided into several chapters and I will perhaps begin with the antitrust chapter, which is the first and most important chapter. In fact from Delek's point of view, in the antitrust chapter, we are talking about selling the Karish and Tanin discoveries within 14 months. In the coming days or coming weeks, we are supposed to get a lease for Karish and Tanin. The lease will be generic in order to ensure that the buyer of Karish and Tanin will have production rights for the next 30 years. But, in fact the process of setting the various parameters of the lease, including the development schedule and type of development, etc. will be managed by the buyer of Karish and Tanin and the Ministry of Energy. Other than Karish and

Tanin, we, Delek, are committed to selling, in accordance with the market centralization law within 6 years, our holdings in Tamar. Noble's holding in Tamar will be reduced to 25%, it will remain as the operator but without veto rights. Technically, it is in fact the operator of the Tamar project. And the other part of this antitrust chapter refers to Leviathan, for which we get certainty for joint marketing of gas from the Leviathan reservoir. This begins with absolute certainty regarding exemption of the apparent monopoly arrangement claim. We, as you know, argue that there never was such arrangement, but we are fully exempted. Afterwards there is a series of exemptions also regarding the export contracts that we are not obliged to bring to the Antitrust Commission, and also for Israeli market contracts, so long as they comply with the conditions, and in a minute we will talk about the conditions for selling to the Israeli market; also regarding joint marketing from the reservoir and the possibility that the Antitrust Commission, by virtue of all kinds of other powers he has, will come and impose further elements on us. This means, the idea is to create absolute certainty that we are putting together a single comprehensive and inclusive arrangement that will provide the security for us to invest in the future. In terms of joint sales from Leviathan, the mechanism says the following. We have secure joint marketing through to 2025 and in 2025 it will be reviewed, mainly to check that the outline plan has been implemented. This means that Tamar is a reservoir that Delek is not part of and Nobel has up to 25%; Leviathan is a reservoir that we are part of and there are no other players that hold more than 25% of another reservoir; and Karish and Tanin are in the market. If this happens, the entire aspect of separate marketing from the Leviathan reservoir will be deferred until 2030, and in 2030 the situation will in any event be reviewed, which is material and very important. First, any review that may be conducted will not harm the existing contracts; this means, export, domestic market, etc. Whatever we signed for joint marketing, will not be impaired. And if a review is conducted regarding the option of separate marketing, it will be (see the section on stability) based on generally accepted global rules, OECD etc. Then, from this aspect, we feel that we have been given the certainty that will allow us to pick up the ball and run with the Leviathan project. The last issue or tier in the antitrust chapter deals with maintaining a market for Karish and Tanin. The objective of the team, over and above selling Karish and Tanin or the obligation to sell Karish and Tanin, is to also to try to create and maintain maximum market share for Karish and Tanin so that the contracts that Tamar will sign now with players in the local market will be contracts that will leave options open for players who will sign them in the period between 2019 and 2021. This is less dramatic for Tamar because as you know, Tamar also has contracts that were signed in the past for over and above the limited capacity once Tamar is expanded, but in any case, here Tamar provides the market some kind of safety net and allows players, Karish and Tanin, to compete on the market. A restriction will apply to Leviathan regarding agreements. This restriction is, by and large, for a period of six months after the sale of Karish and Tanin. The rationale is very simple. The restriction holds while Karish and Tanin are not in the market. As soon as Karish and Tanin enter the market, the market opens for free competition so that Leviathan as well as Karish and Tanin can offer the market any contracts that the market needs, in terms of periods, etc. Up to six months following the sale of Karish and Tanin, there is a mechanism for contracts on the Israeli market only, which are in principle similar to the mechanisms we are familiar with in the Tamar contracts. This means either short term or long term contracts with exit options along the way. There is also an element regarding very large-scale contracts on the Israeli market, which will, by and large, be for limited terms if Leviathan has signed binding export contracts that have taken effect for more than 120 BCM, and again the rationale is clear. So long as there are no explicit secure contracts for Leviathan to export, Leviathan will have a free hand in the Israeli market. If there are contracts, for that matter BG and Jordan from Leviathan so that it already has 10, 11, 12 or perhaps 13 BCM to be exported from the reservoir, then it will be easier to release contracts on the domestic market for competing against Karish and Tanin. This is regarding the antitrust chapter. The next chapter is the pricing chapter. A basic precondition in the pricing chapter is the assumption that signed contracts are never opened. All the contracts that have been signed are in fact approved, and as you well know, have also been under very strict regulatory control all along, from the Antitrust Authority to the Electricity Authority and the Government of Israel. Regarding the IEC contract, at least in this matter the Government of Israel has maintained the principle that signed contracts may not be reopened and regarding us, all the contracts signed from Tamar to date, until the government decision, have been approved and will not be touched. Then there is a mechanism that applies to new contracts that will be signed during the transition period. How is this transition period defined: it is in fact the period until the changes in the market structure are completed. This means, until the exit of Karish and Tanin, the sale of Karish and Tanin and the sale of Tamar, as Delek and Noble undertook in the antitrust arrangement. During this period a customer may choose one of two options. The first option is what we call Israeli Hub. The Israeli Hub is in fact Israel's attempt to become a developed, western market, a market that in terms of price is developed and stays in line with the global industry, similar to the UK National Balancing Point, the CTF in Europe and the Hub in the US. They are trying to develop some sort of hub that is beneficial for us, beneficial for new players. It is good from a global viewpoint because it generates transparency, generates options for developing the global markets. How will this hub work in the initial stage? This hub takes all the average prices of sales on the Israeli market, which at this time are mainly Tamar contracts, averages them out and the overall average for the first quarter will in fact be the price for the next quarter, and so forth. In this way, we actually get a price that is not a base price. I was asked what is the base price and how does the separation work. There is no base price, there is a price. And this price is the result of the weighted average price of the Tamar contracts, at this stage, and in the future may include Karish and Tanin contracts, and Leviathan contracts, etc on the Israeli market. What does this mean? It means that if today we have a set of indices, lets take 2014 as an example, then more than 40% were linked to the CPI, the IEC contract, about 20% were Brent linked contracts and the balance were PUA that included coal, US CPI, Israeli CPI. This means that we have here a very broad set of linkage indices that reflect a link to the global industry, prices, accepted international indices and in fact links Israel to the global energy industry and prices. The second option that customers can choose is mainly relevant for industrial customers, and that is Brent linkage, based on the formula that some of you are familiar with, the best formula from the point of view of sales from Tamar today, which is the largest Tamar customer linked to the Brent. We will offer the same formula to new customers who ask for it. I want here to say something about pricing, because we have recently been witness to a crusade to distort the facts. I would say, distorting facts is an understatement; a crusade of lies regarding the prices on the Israeli market and compared with global prices. It is sad to see this because we are present in both the regional and global industry. You know, one million percent, that the contracts that have been signed to date for export are higher, and significantly higher, than the prices on the Israeli market. That is decisive proof that the prices in Israel are competitive compared with global prices and we believe that this entire de-legitimization campaign is unnecessary. But, if we take a few very practical examples from the region, while the average prices in Israel in 2013-14 were around 5.5, for all intents and purposes only to round them, then the prices in Turkey were USD 10, in Holland they were almost USD 10, in the UK, and we actually reach a situation where the prices in Israel are significantly lower than the prices in western developed countries, in OECD countries. And if we look only at our neighbor, Egypt, the Egyptian industry pays USD 8 per Mmbtu, and these are facts and it is difficult to argue with facts. It is easy to shout out populist slogans. This in fact closes the pricing chapter. When we get to the taxation chapter, Yossi Gvura will present another element of the pricing chapter and this is the option of offering the export price, the price of the export contract, to the Israeli market. Another chapter in this outline plan is what we call the Ministry of Energy and export chapter. This chapter contains elements such as immediate regulation and development regarding Tamar South West; I won't dwell on this, it is quite clear from the text. The chapter also includes the issue of separating export from Tamar and Leviathan; the link that existed was that Tamar could not export more than 20 BCM until Leviathan is developed. In fact, the risks involved in establishing Leviathan were imposed on UFG. I think that the team understood immediately that this is something that significantly harms the market because it prevents us from expanding Tamar immediately in order to increase export sales as well as sales on the Israeli market and to provide a solution for Israeli consumers faster than the development of Leviathan; this restriction has been lifted. In addition, it was decided that the options that will be released at Tamar from the domestic market, in other words, the options for reducing, 50% of them will be added to the Tamar reservoir export quota. On the other hand the holders of the Tamar and Leviathan leases will undertake to move forward quickly with the Tamar expansion and Leviathan development. If we speak specifically about the Leviathan development, our goal is July 2019, and we, Noble, Delek and Ratio, intend making every possible effort needed to meet it. We believe that it can be done and we hope that we will succeed. Just as we did in Tamar, we believe that we can also do it here. Another small aspect of the export issue is the fact that it was decided that the ammonia plant, which as you know is currently in tender, will not be considered as part of the export quota from the local market. The last chapter, before we move to the issue of taxation, is the chapter on stability, which in our view of course is very significant. In the stability chapter we are in fact paying a very steep price in order to generate certainty and stability. We have gone through a long drawn out regulatory process that started with the approval of the northern entrance through the Sheshinski Committee and other taxation imposed on us, through export restrictions and so forth, and other bumps along the way. Our current approach has been to find a comprehensive arrangement that tries to give us and the Israeli economy certainty that will enable a stable environment for investing very substantial amounts, and you all know the figures for expanding Tamar and developing Leviathan. In our opinion the stability chapter is very important. It is extremely important in our opinion. And as you will see, it gives us stability for a significant period and there isn't anything I can add in this respect. Now I will hand over to Yossi Gvura, who will present the taxation chapter.

Yossi Gvura: Hello everyone, good evening. Regarding the taxation chapter, of course there isn't any dramatic change here. What we do have here are clarifications regarding the Petroleum Profits Taxation Law. Everything mentioned here regarding the outline plan must be subject to the law, and there was no way of deviating from it without revisiting the legislative process. So, the taxation chapter deals with several issues, the main one being the matter of the local average price. The Petroleum Profits Taxation Law in fact provides that Sheshinski taxation or petroleum profits taxation will be based on the higher between the proceeds received from an export transaction or that which would have been received if the same volume of gas were sold at the average local price. This is a risk that we could not take without understanding exactly how this calculation will be made. Or how to effect relief provided in the same section of the law. And what was decided here, in fact, is a simple mechanism for calculating the average local price, which is done over a prolonged period, not for any specific year. Of course if there is a payment that will still apply for the mechanism, it will be paid annually, but the method of calculation will be over a prolonged period. Other than that, two additional very important clarifications were set, allowing us in fact to get away from applying the section. The first option is, if we prove to the head of the Tax Authority that the financial proceeds from the export amount for the entire period of the contract is significantly higher than what it should be if it is linked to the average local price, or alternatively, and this is the mechanism that Yossi spoke about, as a kind of additional control of the prices we will have to offer the same price formula as the export contract to customers in Israel. Again, new customers who will demand purchasing additional volumes or alternatively, existing customers that have a Take or Pay option, you are all familiar with this. We will have to offer them the price formula for three years from the date of signing of the agreement. There are certain restrictions on such a contract, for example, it would be for a period of at least 5 years with a Take or Pay option, let's say reasonable, compared with what exists in the same type of industry in Israel. And customers would have the option to demand commencement of supply by the end of 6 years from the date of signing of the export contract. This means that customers who are Tamar customers today and whose contracts open or whose quantities will decrease in 2020 can join this mechanism and receive the price formulas of the export contracts. So, this is a most important chapter which in fact gives us security regarding the way the tax is calculated, which is what we needed, mainly in order to get the project started. Other clarifications were also provided regarding recognition of expenses; mainly combined expenses, some of which are for export and some for providing gas to the local market. All, I repeat, in accordance with the law. It also provides that property tax will apply to the Leviathan project and there is nothing new about that. Of course the property tax law will also apply to the Leviathan project as it applies to Tamar and Yam Tethys, and any other asset of the State of Israel. With regard to exemption from tax withheld at source for loans to foreign residents we actually don't have relief, quite the opposite, there is some impairment regarding the Tamar project, and here it was decided that we could get an exemption or discount of up to 5% at Tamar, Yam Tethys and similar projects. This is of course zero because these projects perfectly fit even the criteria set out in the Law for Encouragement of Capital Investments. So, these are basically the taxation sections. As I said, nothing earth shattering, they only lay down clarifications that are critical for providing the project stability.

Gideon Tadmor: Okay, we will now take questions.

Moderator: We will now switch to the question and answer stage. To pose a question, you must dial *1. To cancel your question, dial *2. If you are listening on a speaker phone, please lift the hand-piece before dialing the numbers. Please wait while I collect your questions. I will repeat the instructions. To pose a question, you must dial *1. Please wait while I collect your questions. The next question is from Itai Dayan from Psagot.

Itai Dayan: Can you perhaps tell us in detail how much can be exported from both reservoirs? Each on its own, of course.

Yossi Abu: Look, from the point of view of the current outline, it allows us, before confirmation of all the reserves in Leviathan, which as you know, we are working with the Ministry of Energy to confirm these reserves, but even assuming 475 BCM at the moment from Leviathan, and not 620 as we believe, we can cover all the agreements that we want to for stage A at Leviathan and expanding Tamar. In other words, BG and Jordan, for the volumes spoken about, as well as UFG and Dolphinus. From our point of view, the moment we have a solution for this, for signing these contracts, immediately promoting these contracts, it will give us the option of working with the Ministry of Energy to advance the final amount of reserves at Leviathan and to do additional work with them. Then at this stage, to reach the bottom line, we have the opportunity to sign all the contracts that we intended signing, the Tamar expansion and stage one of Leviathan.

Itai Dayan: And what about stage B, in any case we need to model it.

Yossi Abu: Regarding stage B,

Itai Dayan: Wait, Yossi, let me just add, this and also your reference to the end quotas that are transferred from Karish and Tanin to Leviathan.

Yossi Abu: But even before the Karish and Tanin quotas, we see that it is possible to sign all the existing contracts under the current decision. Furthermore, there are two processes taking place simultaneously. One, we receive 47 BCM, which is the Karish and Tanin export quota and which will be transferred to Leviathan. Two, we will complete the assessment of the reserves with regard to the Leviathan reservoir with the Ministry of Energy, so that the gap will increase from 475 to 620, the Leviathan assessment, so that we estimate that we will have at stage B more than 150 BCM extra for export.

Itai Dayan: Which is what, which refers to 50% of the gap or is that your estimate, another 150 BCM?

Yossi Abu: That is our estimate, what was published, also NSAI, Noble also published this estimate. This is of course on the assumption that there are no additional discoveries. If there are additional discoveries, the quota will increase. But to clarify the bottom line, this outline plan gives us the certainty to expand Tamar, stage A of Leviathan, and together with Karish and Tanin, to complete assessment of Leviathan reserves, as well as stage B of Leviathan, as we see it.

Itai Dayan: Thank you, and good luck.

Moderator: The next question from Gal Reiter of Bank of Jerusalem.

Gal Reiter: Hi, I hope that the outline plan will go through smoothly, but my questions are related to the short term estimates and then to the longer term. How do you see the process, let's say in the coming month, also in view of what the State Comptroller published. What do you estimate the schedule?

Gideon Tadmor: I can say that yesterday's estimate was that the Prime Minister will pass it through the Knesset. But let's take a look -

Gal Reiter: Let's be realistic and try.

Gideon Tadmor: Let's look at what we are really seeing, our estimates, it is important to say, they are estimates based on the best of our knowledge at this time. Therefore it is important to also consider the determination, and I think that we are fully aware of the extraordinary determination in the government's conduct regarding this outline plan, and this is an issue whose importance cannot be overstated. Basically, as we understand it, there will be a 21 day process for holding a hearing at the end of which there is a team of officials, most of whom were involved in the process all along, who will receive the responses, mainly in writing, perhaps also verbally, from the various bodies that submitted their position following the hearing. At the end of the day, the team will have to go over all the feedback and decide about the outline plan, if certain modifications should be made or if most of the outline will remain as is; this is our estimate of what will be. But at the same time, there are the structural changes dealing actually with the main issue, breaking up the monopoly, and creating the potential for market competition, which is a project carried out under section 52 of the Antitrust Law. This will have to go back to the Knesset to vote on, assuming that the Minister of Economy will not retract his opinion and will agree to sign the enactment of section 52. At the end of the day, in this process there is someone who invokes his authority under section 52 and this process requires consulting with the Knesset's Economic Committee. Not the approval of the Economic Committee, but rather consulting with it. And simultaneous with the hearing, consultations will be held with the Economic Committee. Finally, these simultaneous processes are meant to come together at a point where the government decides to approve the outline plan. Following the decision to approve the outline plan, there will probably be some price control committee for fixing the price control mechanism that Yossi explained. This has to be set by a decision of the price control committee that will of course take the entire outline plan into account. And at the end of the day, it will need to be signed by two ministers who are supposed to authorize the price control committee recommendation. Regarding the State Comptroller's comments, without going into detail, because we cannot go into detail, but we saw part of the material in the response requested from us regarding the interim conclusions. This is a parallel process, but without going into detail, we can certainly say that many of the issues raised, not only by us but by others, before the State Comptroller, are exactly the issues that this outline plan is supposed to regulate. The fact that this outline plan is comprehensive, the fact that the outline plan has been modified, the fact that this outline plan looks years ahead, these are precisely the advantages of the outline plan, that are for fixing the flaws of the past that significantly impaired the development of the gas sector.

Gal Reiter: But is the State Comptroller expected to meet the schedule of the coming month? I mean, the concern of -

Gideon Tadmor: Gal, we all read the notice together. You know that the State Comptroller is an independent authority. But I am sure that he is aware, and once again, knowing that he is very aware of and attuned to the problems of the gas sector, we feel that these issues will be dealt with parallel, with the intention of coming together at some point in time when all these issues formulate the government decision. Apart from that, we certainly can't say anything.

Gal Reiter: And assuming, and more correctly hoping, that everything will end as scheduled. Can you give a short review of what is expected if everything is done within the planned schedule, end July, beginning of August? Do you go back to start operations, what more or less is the schedule for, let's say, the next six months? Some forecast. I mean, do you expect export contracts to be signed within the coming six months?

Gideon Tadmor: We have kept everything. I don't mean the engineering work, because this work, primarily, has been frozen and you all know that. What we will do immediately, for this we don't have to wait until the end of the outline plan approval. Because the direction is obvious, we will immediately, now, begin working to set the engineering work back in motion. To set up teams, to produce the required schedules. And at the same time, the entire commercial process of the negotiations with the potential buyers, that has never been stopped. This is something that we continued dealing with simultaneously, so that a big part of the work that needs to be done has been done. And we will want this issue to mature. Another issue is the financing. As you all know, we were about to close a financing alternative for a period of 4 years with two banks in the sum of USD 2 billion to finance our part in the Leviathan development. We have to go back to these banks; we will renew the documents and also reach a situation where immediately after the outline plan is approved, we will have a schedule and if it is approved, we will publish the schedule, which will bring us back to the main task of developing both projects, Tamar expansion and Leviathan development.

Gal Reiter: Good luck.

Moderator: The next question is from Eran Yunger of Meitav Dash.

Eran Yunger: Good evening. I have two questions. First, perhaps to continue Gal's question regarding the date for the Leviathan development. We understand that 4 years is not long and I think that all of us understand that BG is the key customer without which there would be no development or raising of finance. So, I wanted to know what the deadline for signing the contract with BG is, so that we will meet the target date of July 2019?

Gideon Tadmor: I think that it wouldn't be responsible at this stage to set a target date for this. I can only reiterate what I said earlier and I did not say anything without good reason. Throughout the entire time, we maintained intensive contacts with all the customers, including BG, which as we all know is also going through challenges, the merger with Shell. So we're not going to sit idle and are going to do everything needed. When we set the date of July 2019, together with the Noble Energy who is the operators, we took into account all the procedures that we had to go through to enable us to return to the sanctioning point and sanction the project.

Eran Yunger: I understand. Another small question for Yossi Gvura; can he be more specific about the issue of tax recognition for the export infrastructures. This part was quite quick and I think that it wasn't thoroughly explained.

Yossi Gvura: The relevant issue is mainly the expansion of Tamar. As part of the expansion of Tamar there are two items, one of which according to the law is not part of the upstream and this is the part of the pipeline that runs from the Tamar platform to the Egyptian border. This is considered an export pipeline. And the other pipeline that we will lay is the third pipeline as reported, that will run from the reservoir for 150 km to the platform. The question that arose is whether this pipeline, which serves the upstream part only, will also serve for export? Because, after all, it also conveys gas from the actual reservoir to the platform. At the end of the day, it was agreed that because it will increase the production capacity of Tamar from 12 BCM to 20, and of the 8 BCM an additional 4 can be for the local market and 4 for export, it was decided that we will divide it 50/50 in terms of the Sheshinski calculation and therefore it is included in the calculation. This means, 50% numerator and 50% denominator. And regarding the export pipeline, it was decided that instead of going with a mechanism that removes it from the factor and calculating it as a revenue at past prices, such as we are familiar with, we came to an agreement with the tax authorities that it would be more simple and easier for both sides, and by the way, I think more for them because we are more part of this world, to enter it as a numerator instead of a Sheshinski denominator, and of course all the income from that pipeline will be included in the Sheshinski calculation. So, these are the two issues of the involved expenses. In any case this doesn't have a dramatic impact on the project.

Eran Yunger: And is it the same for Leviathan?

Yossi Gvura: No. For Leviathan, all the facilities will be considered to be upstream. I will remind you that at Leviathan, it is the buyer who is at this time laying the pipeline to Egypt. So we don't have an issue with that. And the pipeline from Leviathan is the pipeline that connects to the shore. According to the law it most certainly is part of the calculation so there is no question about this either.

Eran Yunger: This means that for Leviathan there is full recognition of expenses for the benefit of ...

Yossi Gvura: Yes, of course.

Eran Yunger: Okay, good. Thank you. Good luck.

Moderator: The next question is from Itai Dayan from Psagot.

Itai Dayan: After we have this outline plan and assuming it is approved, will you consider publishing a new projection of Tamar cash flows.

Gideon Tadmor: Under the regulations we are of course required every time we publish cash flows to recheck ourselves and this is what we do.

Yossi Gvura: I think that when we want or when we need to classify the resources as reserves, we will be required to publish a DCF for Leviathan. For this a few more things have to happen, it won't happen tomorrow, I assume.

Itai Dayan: My question is for Yossi, especially regarding the UFG contract, how does it affect Tamar?

Yossi Gvura: Look, with the method that we have used to date at Tamar regarding export we have only recognized the signed export contracts. And therefore, we only included Dolphinus in the last DCF. Regarding UFG, I assume that it will be included either when we are extremely sure that the contract will be signed or once it is signed. I can't tell you today exactly when that will happen or which methodology we will use. But it must be when we believe that this contract is absolutely certain.

Itai Dayan: 100%. Thank you.

Moderator: There are no other questions. I return the floor to Mr. Bartfeld to sum up. Mr. Bartfeld, please go ahead.

Asi Bartfeld: Good, thank you, everyone. I assume that if you have further questions you will contact us and that some of you have children who start their vacation today, so I wish you all a pleasant summer. Thank you and good bye.

Moderator: Thank you. The Delek Group conference call is concluded. Thank you for participating and have a good day.

(End of recording).