Ratio Oil Exploration (1992) - Limited Partnership

Partnership Presentation
April 2013

Disclaimer

This presentation was prepared by Ratio Oil Exploration (1992) – Limited Partnership (the "**Partnership**" or "**Ratio"**) . It is not an offer to buy or sell securities of the Partnership, nor an invitation to receive such offers, and is designed, as aforesaid, for the provision of information only. The information used to make the presentation (the "**Information**") is given for convenience purposes only and is neither a basis for the making of any investment decision, nor a recommendation nor an opinion, and is no substitute for the investor's discretion.

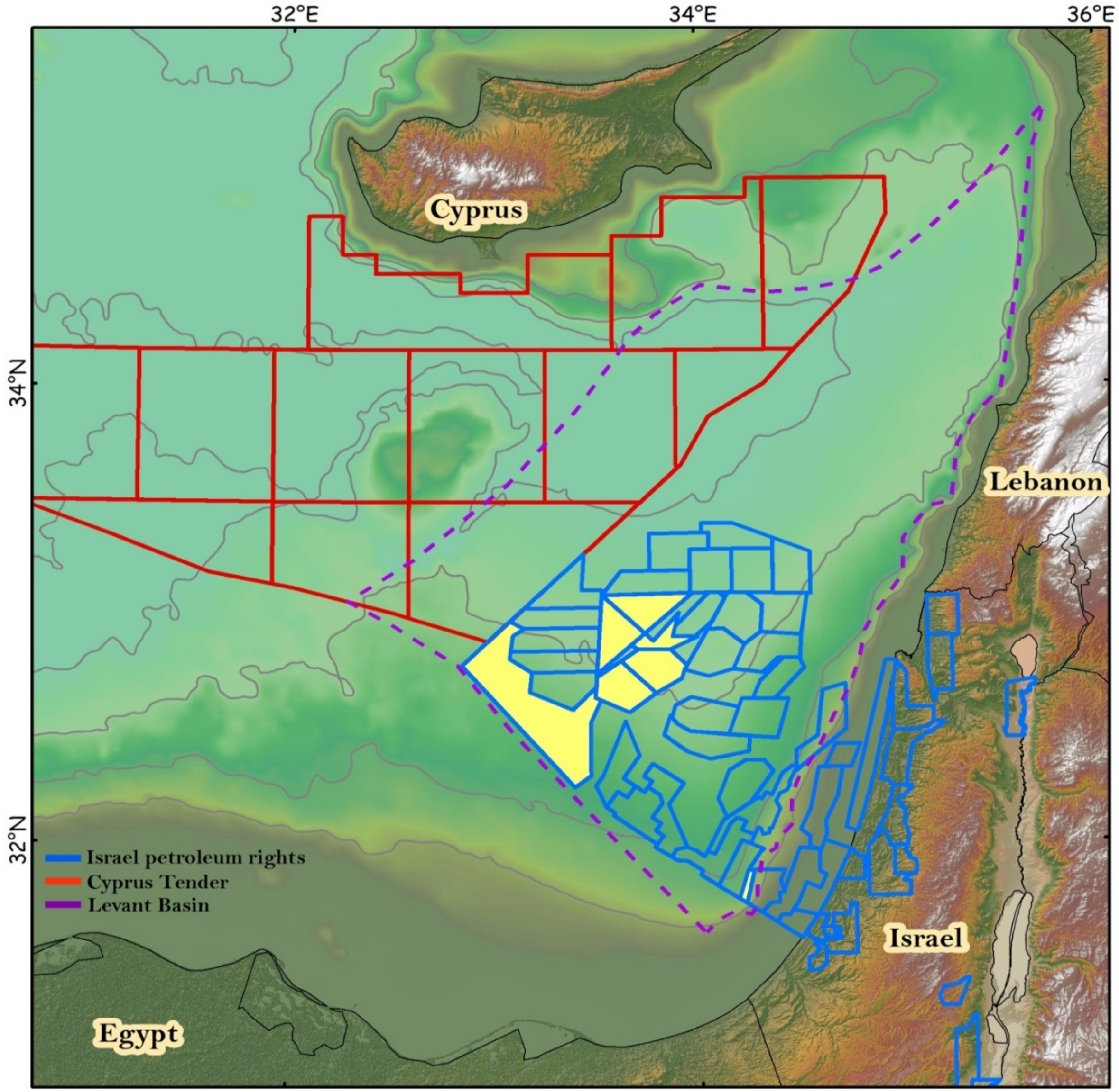
Everything stated in this presentation with respect to an analysis of the Partnership's business is merely a summary. To obtain a full picture of the Partnership's business and the risks facing the Partnership, review the Partnership's Periodical Reports and Immediate Reports ,as filed with the Israeli Securities Authority through the Magna website. The Partnership does not warrant that the Information is either complete or accurate, nor will bear any liability for any damage and/or losses which may result from a use of the Information.

Various issues addressed in this presentation, which include forecasts, goals, estimates, assessments and other information pertaining to future events and/or matters, whose materialization is neither certain nor within the Partnership's control, including in connection with data, income forecast, the value of the Partnership, costs of projects, the development and construction thereof etc. are forward-looking information, as defined in the Securities Law. Such Information is based solely on the Partnership's subjective assessment, based on facts and figures concerning the current state of the Partnership's business, and macro-economic facts and figures, all as are known to the Partnership on the date of preparation of this presentation. The Partnership does not undertake to update and/or change any such forecast and/or estimate to reflect events and/or circumstances occurring after the date of preparation of this presentation. The materialization or non-materialization of the forward-looking information will be affected, *inter alia*, by risk factors characterizing the Partnership's business, as well as by developments in the general environment and outside factors affecting the Partnership's business, third-party representations not materializing, delays in the receipt of permits, etc., which cannot be estimated in advance and are beyond the Partnership's control. The Partnership's results of operations may differ materially from the results estimated or implied from the aforesaid, *inter alia* due to a change in any one of the foregoing factors.

Presentation Outline

- The Levant Basin
- The Partnership Oil Assets
- Ratio Yam Licenses – Leviathan Discovery
- Leviathan Development Approach
- Gal Licenses
- Gas Commercialization
- Financial & Trade Information
- The Partnership Goals
- The General Partner

The Levant Basin



Ratio exploration assets

Hydrocarbon Potential

Out of a potential of ~ 122 Tcf

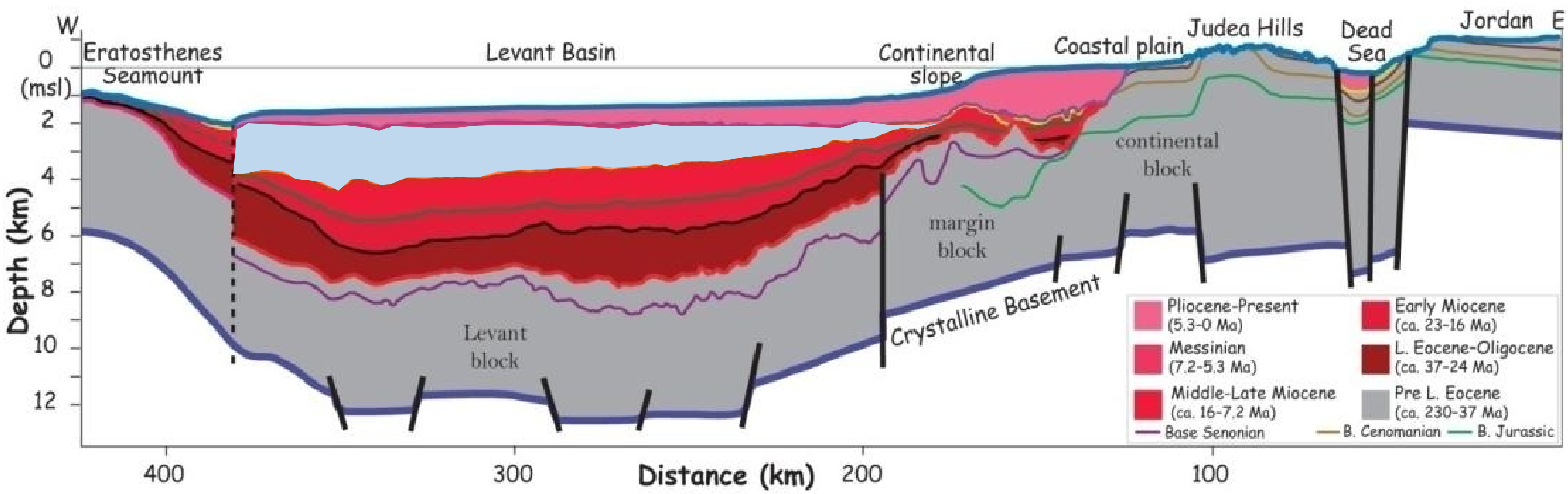
only ~ 35 Tcf have been discovered

Total Petroleum Systems (TPS) and Assessment (Units (AU	Field type	Largest expected mean filed size	Total undiscovered resources											
			(Oil (MMBO				(Gas (BCFG				(NGL (MMBNGL			
			F95	F50	F5	Mean	F95	F50	F5	Mean	F95	F50	F5	Mean
Levant Basin Province, Mesozoic-Cenozoic Compsite TPS														
Levant Margin Reservoirs AU	Oil	177	278	763	1,765	857	340	944	2,202	1,062	7	19	45	22
	Gas	1,074					1,678	4,559	10,594	5,135	51	142	333	160
Levant Sub-Salt Reservoirs AU	Oil	184	148	460	1,242	548	179	569	1,559	679	4	12	32	14
	Gas	12,238					32,462	74,210	150,573	80,758	1,006	2,309	4,721	2,519
Plio-Pleistoncene Reservoirs AU	Oil	130	57	217	752	284	68	265	933	351	1	5	19	7
	Gas	4,756					15,360	32,066	61,569	34,393	157	328	633	353
Total Conventional Resources			483	1,440	3,759	1,689	50,087	112,613	227,4	**122,378**	226	2,815	5,783	3,075

Source: US Geological Survey (USGS) Fact sheet 2010-3014 , March 2010

The origin and nature of the rapid Late Tertiary filling of the Levant basin

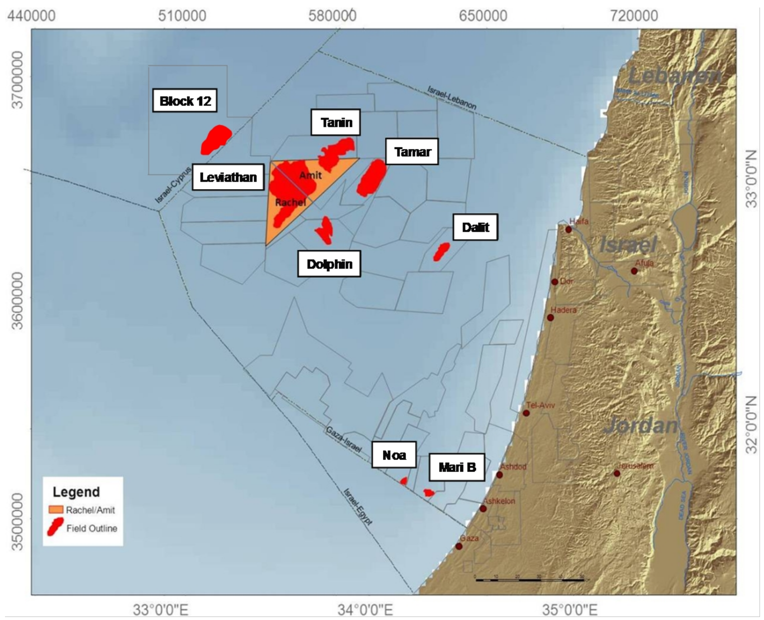
by **Steinberg, J., Gvirtzman, Z., Folkman, Y., Garfunkel, Z.**



Source: Geology, 2011

Major Discoveries (*)

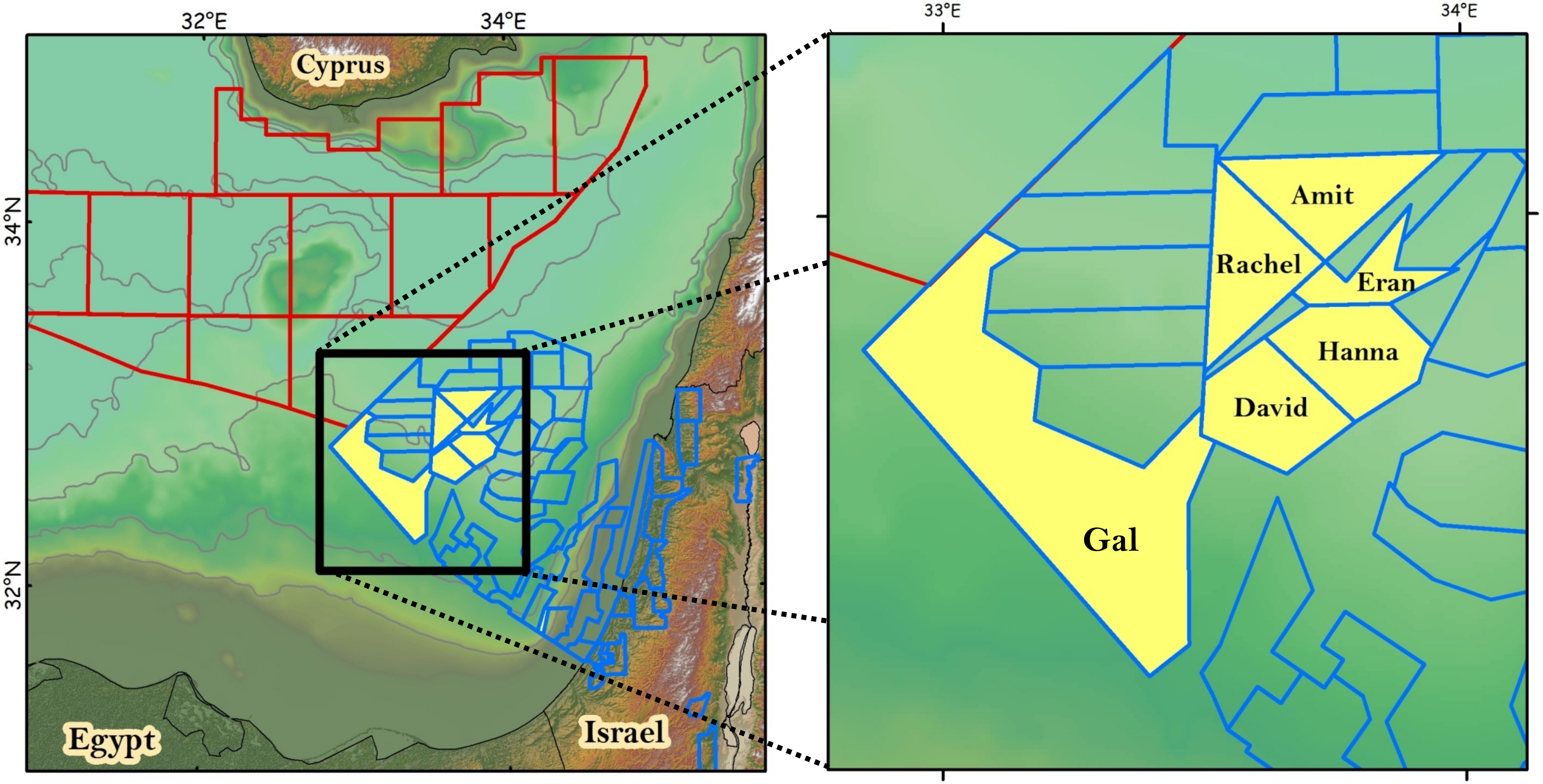
- **Israel:**
  - Mari B (1999) – 1.6 TCF, supplies gas to domestic market since 2004
  - Noa (1999) – 0.15 TCF, supplies gas to domestic market since June 2012
  - Tamar (2008) – 10 TCF, supplies gas to domestic market since March 2013
  - Dalit (2008) - 0.5 TCF, pre-development
  - **Leviathan (2010) – ~ 17 TCF, pre-development**
  - Dolphin (2011) - 0.1 TCF
  - Tanin (2011) - 1.1 TCF
- **Cyprus:**
  - Block 12 – (2011) – 5-8 TCF, under assessment



(*) Excluding Ratio assets, resources quantities are in accordance to third parties publications

The Partnership Oil Assets

"Ratio Yam" Licenses- Rachel, Amit, Hanna, David, Eran
"Gal" Licenses – Neta, Royee



“Ratio Yam” Licenses

Leviathan Gas Discovery – Highlights

- Identified originally by Ratio, which owned 100% of the asset. In 2007 Ratio invited its current partners to farm-in.
- Discovered in late 2010, Leviathan is the most significant gas field in the Eastern Mediterranean Sea and one of the world’s largest discoveries of the last decade
- Located in the Rachel & Amit Licenses, 135km west of Haifa, Israel in water depths of approx. 1,630m, covering an area of approx. 325 km^2
- Drill Stem Tests showed that the reservoir is potentially a high-rate producing field
- Contains high quality reservoir and gas- 99% methane, 21% porosity
- Completed two appraisal wells (L-3 & L-4) which validated the quality and quantity of the field.
- In March 2013, The Operator announced on an increase in the estimated recoverable gross mean resources of the field to 18 TCF (*)

(*) Source: Noble news release dated March 6,2013

"Ratio Yam" Licenses - Current Partners Composition

noble energy

Noble Energy Mediterranean (Operator)

39.66%

RATIO

Ratio Oil Exploration (1992) LP

15%

Ratio Yam licenses
(Amit, Rachel, Eran, Hanna, David)

22.67 %

Delek Drilling

Delek Drilling LP

22.67 %

Avner Oil and Gas Exploration LP

Leviathan Project
Woodside – The selected strategic partner

- In December 2012 Leviathan Partners announced Woodside Energy on their willingness to conduct negotiation towards execution of a definitive agreement following Woodside proposal to acquire 30% working interests in the Leviathan Project (Rachael & Amit Licenses)

- Australia based Woodside is a leading producers of LNG with experience throughout the LNG chain : design & erection, operation, shipment, trading, marketing and financing.

- Woodside has strong relations with Asian LNG customers for the past 28 years; More than 85% of its LNG is sold to Japan, Korea and China under long term contracts.

Leviathan Project
Anticipated Sale Highlights

- Woodside will pay approx. $2.5B in return to acquiring of totaling 30% interests in the Project
- Woodside will be considered as midstream operator (LNG infrastructures)
- Noble will retain its position as upstream operator
- The Partnership will sell 5% interests in the Project and expects to receive approx. $420 M from Closing and throughout the Project life (with a deduction for payment of overriding royalties)
- The Partnership will receive an accumulated amount of approx. $140M (expected in 2013) and additional approx. $58M upon approval of export projects
- Woodside will carry the Partnership with a $8.3M upon drilling the first deep targets, if decided
- Noble will provide the Partnership with a financial safety net , if the Partnership requires it

Leviathan Joint Venture - Future Partners Composition

Noble Energy

Ratio Oil Exploration (1992) LP

Woodside Energy

30%

10%

30%

Leviathan project
(Amit and Rachel Licenses)

15%

15%

Delek Drilling LP

Avner Oil and Gas Exploration LP

“Ratio Yam” Licenses

Leviathan – Anticipated major targets in 2013

- Execute definitive Farm-out Agreement with Woodside
- Consolidate future operations regarding the prospective resources of the oil deep targets
- Approve the first phase of the Development Plan
- Advance upstream and midstream studies , including LNG & FLNG Front End Engineering Design (FEEDs)
- Commence negotiations for gas sale and purchase agreements (GSPAs)

Leviathan Development Approach

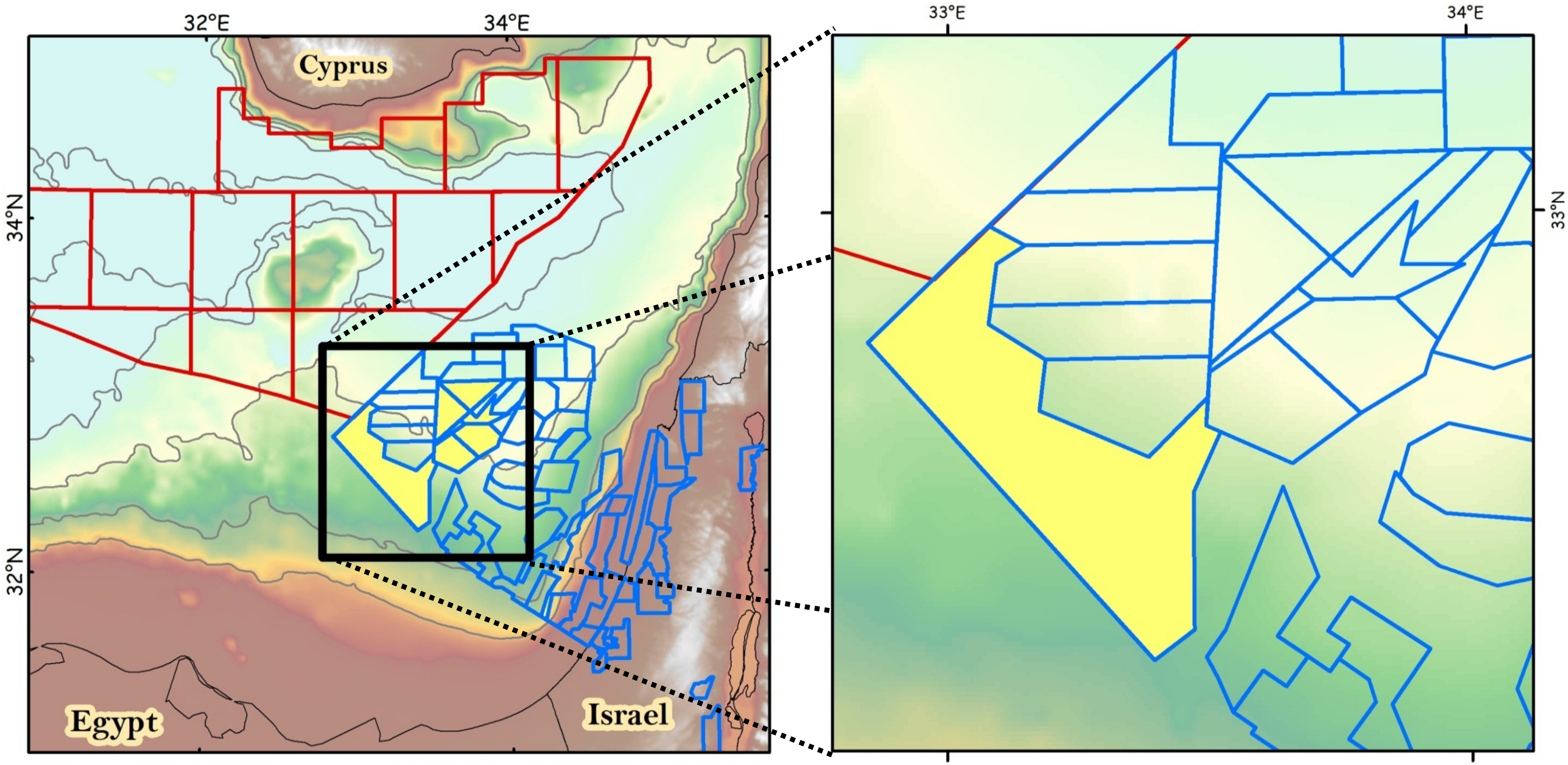
- First Phase:
  -Supply to Domestic Market - target 2016 (*)
  -Construction of upstream facilities for export projects

- Second Phase :
  Supply to Export Markets – target 2018-2020 range (*)
  - Piped gas to neighboring countries / Turkey
  - Onshore LNG plant
  - Offshore floating LNG facility

Scale, location and selected strategic partner allow for multiple export possibilities

(*) Source : Noble Energy Analyst Conference – December 2012

“Gal” Licenses



“Gal” Licenses Chronology

- In 2010 the Partnership obtained the Gal preliminary permit
- In November 2012 the Partnership and Edison International signed Farm-out agreement. Edison is a reputable marine operator with a substantial exploration and production activities in Italy, Egypt & other countries in Europe and Africa
- Edison will hold 20% of the working interests and will be designated as the operator
- In November 2012 ,the Partnership exercised its priority right and applied for two licenses, named “Neta” and “Royee”, within the preliminary permit area. The application indicates the following working interest in the asset: the Partnership (70%), Edison (20%), Israel Opportunity (10%)
- In April 2013, the Oil Commissioner granted the Partnership the two licenses

Gas Commercialization

Israeli Governmental Gas Export Policy (“Tzemach Committee”) - Primary Recommendations issued in September 2012

- Export of up to 500 BCM from all reservoirs
- Export of up to 75% from each reservoir exceeding 200 BCM
- Infrastructures to shore will be developed independently to infrastructures that will be developed by the Government, for those discoveries which will receive Leases in 2013
- Governmental Committee will be established to mitigate development barriers and to advance the gas export schedules
- Onshore LNG facility will built in Israel as a preferred priority. Export will be allowed from other territories
- Presence of a “Major” oil & gas company is important to efficiently develop the Israel gas market

Gas Commercialization

Domestic Market – Strong Demand Outlook

- Power
  - New Capacity - 4,000- 5,000 MW gas fired plants are under construction or pre financial closing which expected to be under operation by 2017-2018.
  - Conversion of IEC's coal fired plants to utilize gas – 1,400 MW by 2017

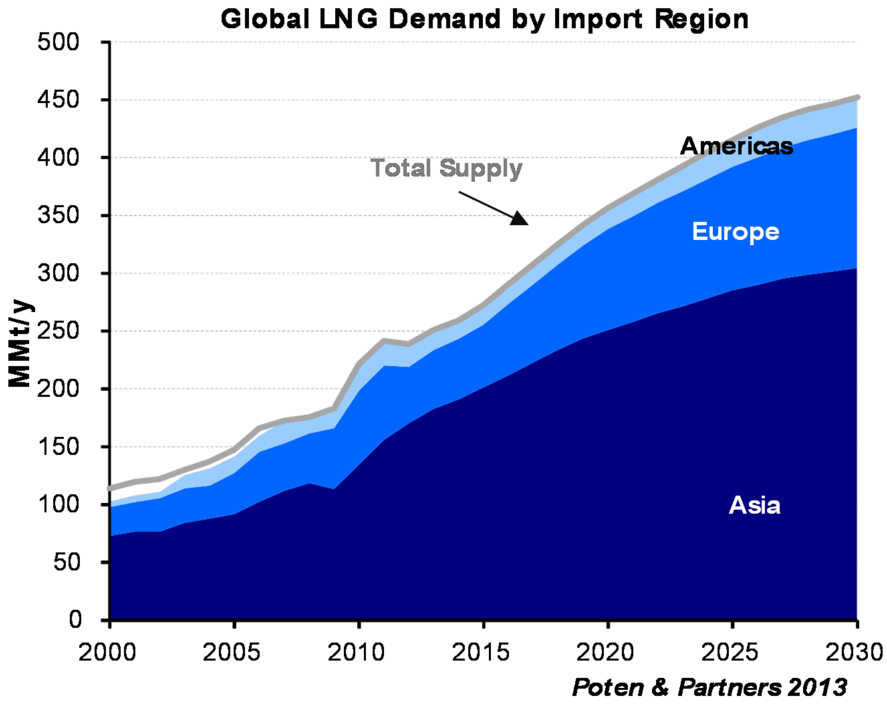
- Industry
  - Conversion of heavy industries' production facilities burners to utilize gas
  - Development of new industries which heavily utilize gas (such as :Ammonia, Methanol)

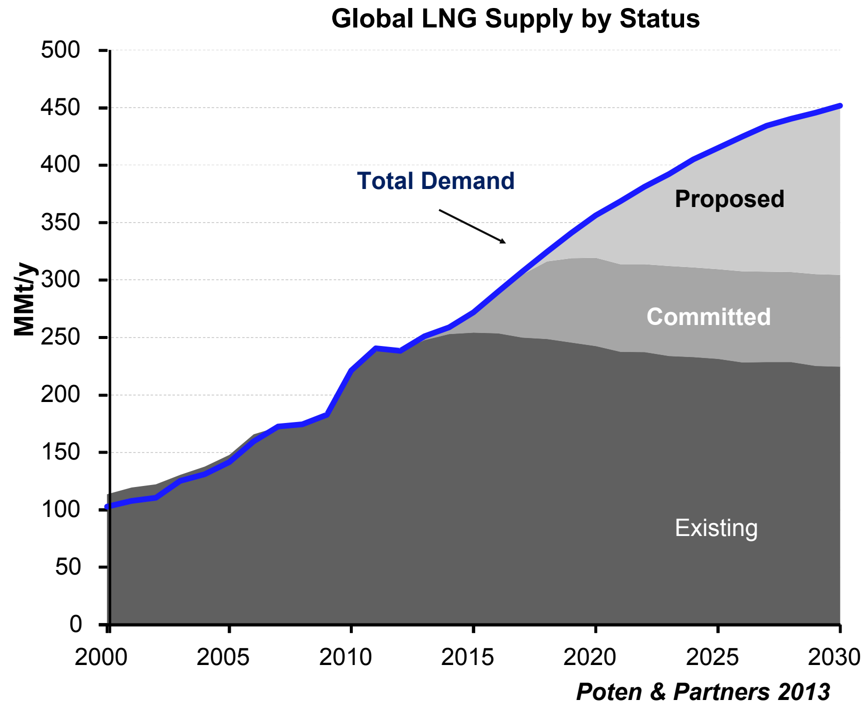
In April 2012 the Ministry of Energy & Water issued its long term forecast demand for natural gas for power and industry uses:

-Approx. 13 BCM in the year 2020 and 15 BCM in the year 2025 (demand in 2010 was approx. 5.5 BCM)

-Aggregate demand of approx. 430 BCM during years 2016-2040

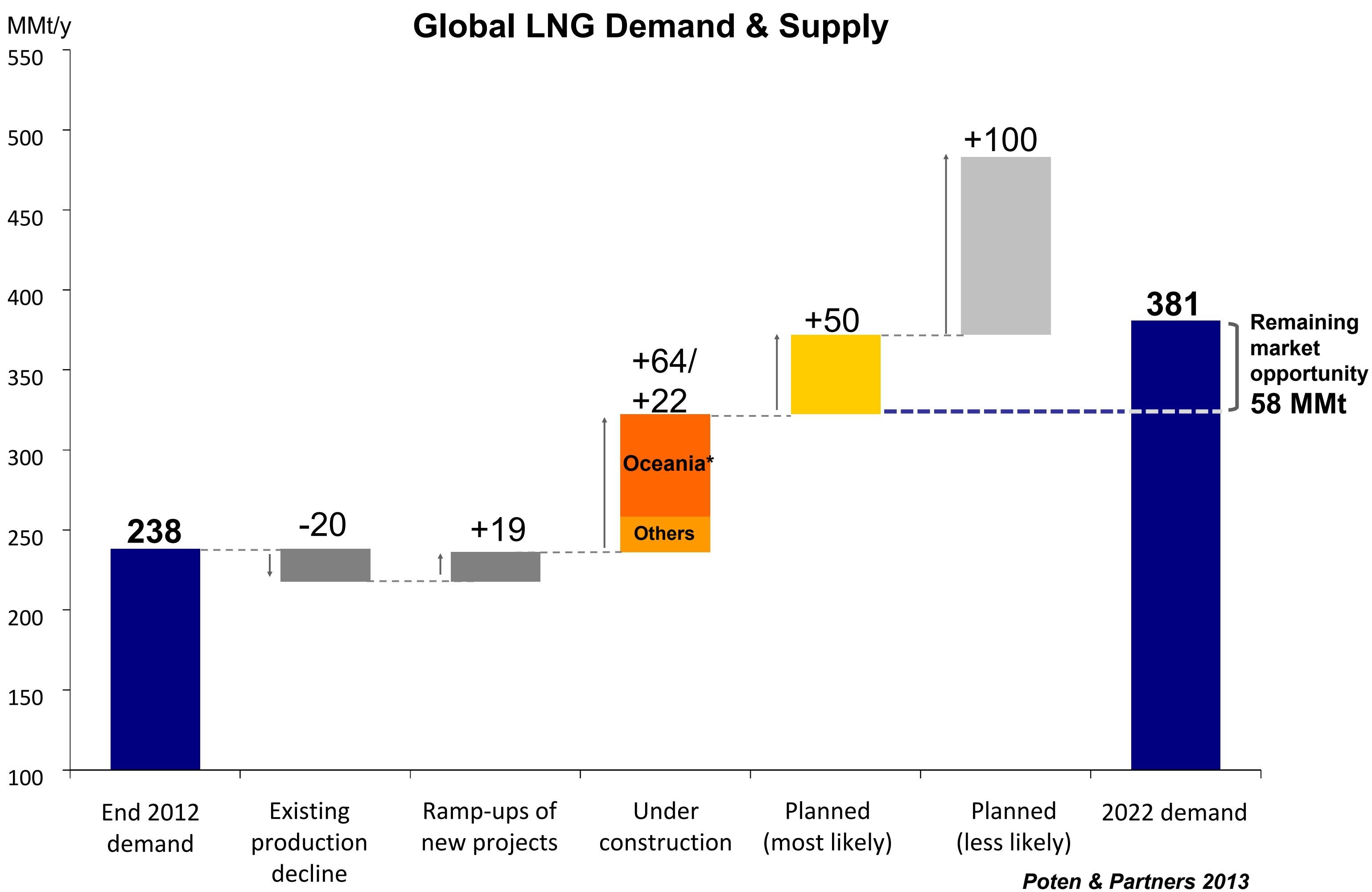
Gas Commercialization- Global LNG Supply and Demand
Global LNG demand to reach 450MMt/y by 2030, driven by premium markets in Asia





Gas Commercialization- Global LNG Demand and Supply

Projects compete to secure market and reach Final Investment Decision (FID) by 2018



*Oceania = Australia and PNG

Poten & Partners 2013

Financial Information

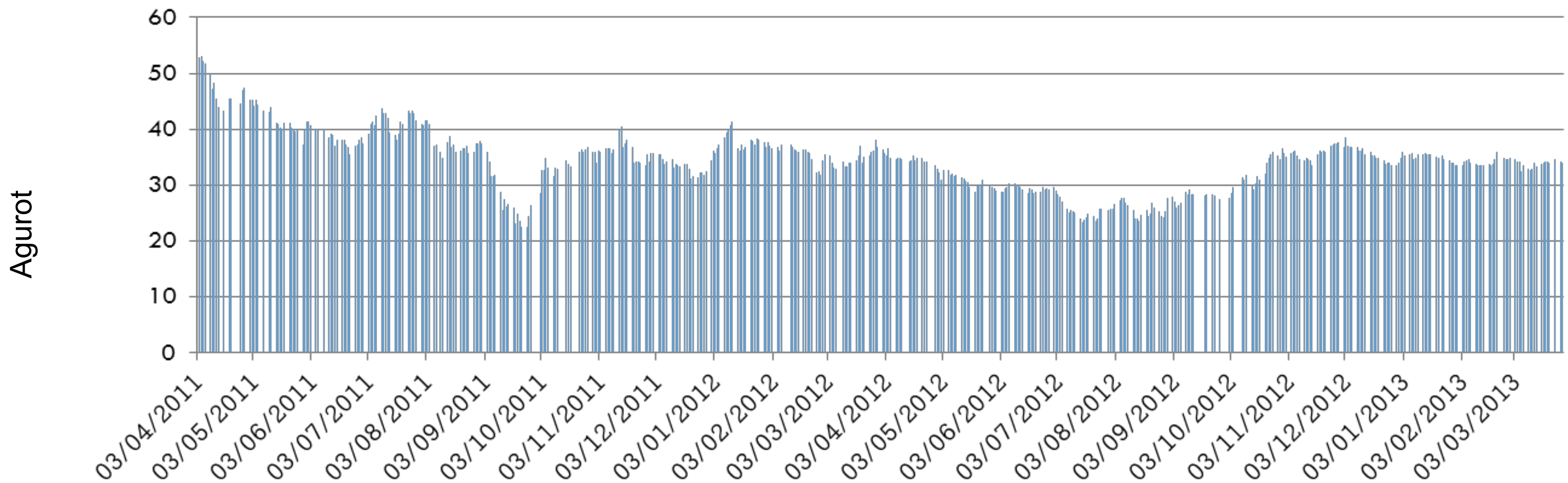
(as of December 31, 2012)

- Total assets: USD 121.3 M
- Liquid assets: USD 10.3 M
- Investment in oil assets: USD 88.5 M
- Partners' Equity: USD 94.6 M

2013 Rights Issuance

- Issued a package of units and three series of warrants:
- Immediate amount received in January 2013 was approx. USD 8.5 M,
- Additional amount received in 2013 from exercise of warrants was approx. USD 14.0 M , and
- Additional potential future of fund raising in the amount of up to USD 64.5 M following exercise of the third serial of warrants.

Tel Aviv Stock Exchange Information
Unit price April 2011 – March 2013

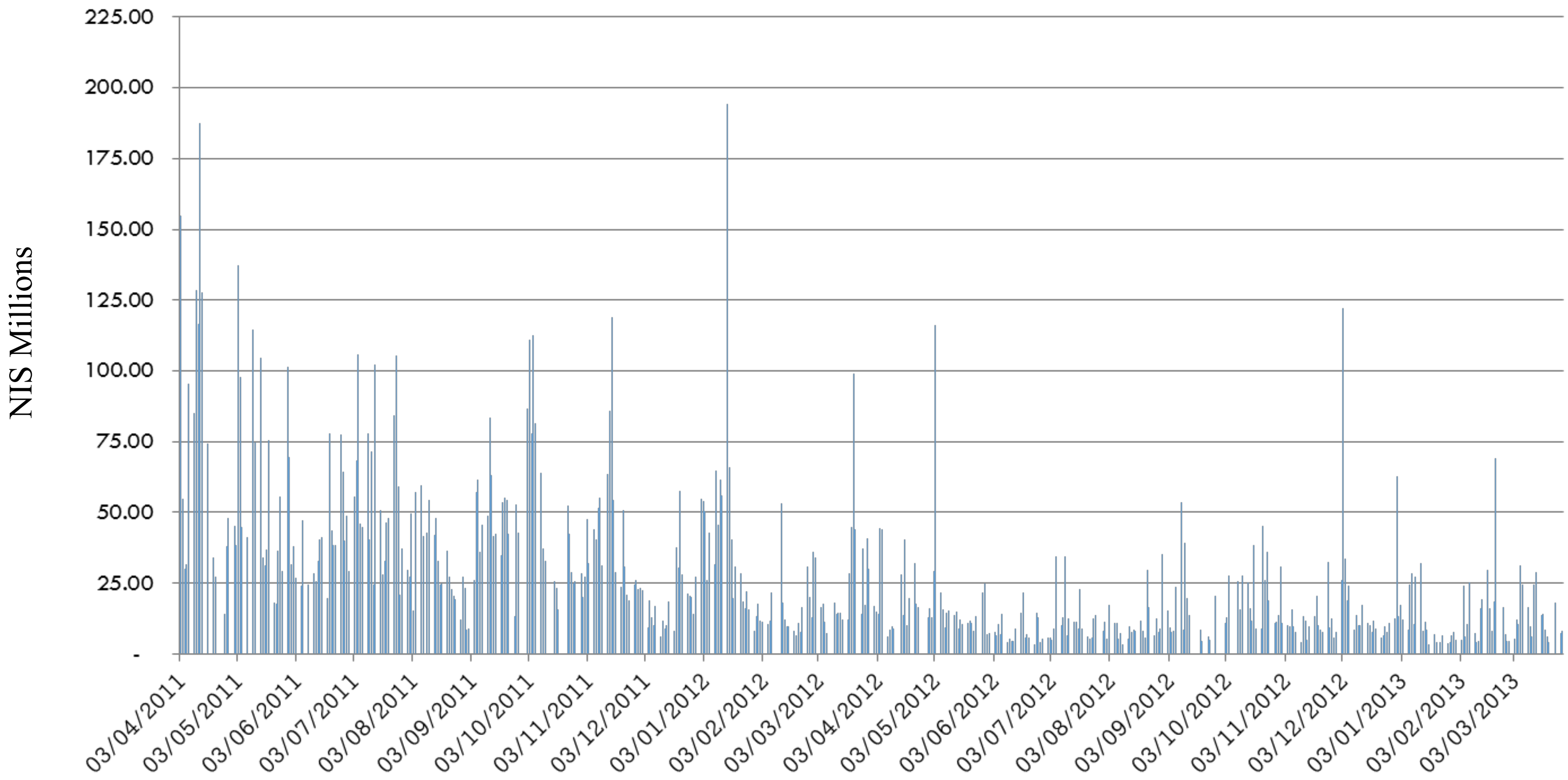


*NIS=100 Agurot

Most recent analysts Target Unit Price (agorot):
UBS - 51, Barclays – 44, Excellence- 46

Tel Aviv Stock Exchange Information

One of the most traded security on the Tel Aviv Stock Exchange



Partnership's Goals

- Continue with E&P operations in its current exploration assets
- Further explore the Gal asset, together with Edison
- Develop and commercialize the Leviathan gas field
- Acquire working interests in additional petroleum assets
- Take advantage of the data and knowledge gained from recent activities to further assess additional regional opportunities

The General Partner

- Partnership founded in 1992 and first listed in the Tel Aviv Stock Exchange in 1993
- Managed by solid, professional and experienced individuals
- The founding families, Landau and Rotlevy, have a long-term development and investment philosophy in the energy sector, along with numerous investments in other industries
- Geological team has in-depth academic and practical knowledge in the exploration in the Levant Basin

Thank You

Contact Details:

Ratio Oil Exploration Ltd.

Tel : +972-3-5661338

Fax : +972-3-5661280

Email : office@ratioil.com