

Paz Oil Company Ltd (the "Company")

Notice of a Special General Meeting of the Company's Shareholders

In accordance with the Companies Law, 5759-1999 (hereinafter - the "**Companies Law**"), the Securities Law, 5728-1968 (hereinafter - the "**Securities Law**"), the Companies (Notice and Announcement of a General Meeting and a Class Meeting of a Public Company and Addition of a Matter to the Agenda) Regulations, 5760-2000 (hereinafter - the "**Notice of Meeting Regulations**"), the Companies (Written Vote and Position Notice) Regulations, 5766-2005 (hereinafter - the "**Voting Regulations**") and the Securities (Periodic and Immediate Reports) Regulations, 5730-1970 (hereinafter - the "**Immediate Reports Regulations**"), notice is hereby given of a special general meeting of the Company's shareholders to be held on **Thursday, February 15, 2018, at 15:00**, at the Company's offices, at Euro Park, Holland House, Yakum. An immediate report including all the necessary details pursuant to the Regulations and pursuant to the Companies (Periodic and Immediate Reports) Regulations, 5730-1970, in connection with the meeting, was published by the Company on **Tuesday, December 26, 2017** (reference no. 2017-01-120516) on the distribution site of the Israel Securities Authority and on the website of the Tel Aviv Stock Exchange Ltd (hereinafter - "**TASE**") at the following addresses: www.magna.isa.gov.il and <http://maya.tase.co.il>.

Details of the matters on the agenda:

The election and appointment of an external director, for a term of office of three years commencing on March 11, 2018, in accordance with section 239 or 245 of the Companies Law, as the case may be. The election in this matter on the agenda is of one external director from amongst two candidates proposed by the appointments committee, in accordance with the Company's articles of association. The candidates are: Ms Meira Git, who is currently an external director of the Company and a candidate for second term of office; (b) Ms Naomi Sandhaus.

The determining date:

The date determining the entitlement of a shareholder of the Company to participate and vote at the general meeting and the adjourned meeting, in accordance with section 182(b) of the Companies Law, is the end of the trading day on TASE falling on **Wednesday, January 17, 2018** (hereinafter - the "**determining date**"). If trading does not take place on the determining date, the determining date shall be the last trading day preceding this date.

Dates for delivering position notices and voting papers:

The deadline for delivering position notices to the Company is **by 10 days prior to the date of the meeting**. The deadline for delivering position notices on behalf of the Company that include the response of the Company's board of directors to the position notices on behalf of the shareholders is **by five days prior to the date of the meeting**.

The deadline for delivering voting papers to the Company in relation to a shareholder who is not entered in the register of shareholders is **up to four hours prior to the time of the meeting** (i.e. **by Thursday, February 15, 2018**, at 11:00). The deadline for delivering voting papers to the Company in relation to a shareholder entered in the register of shareholders is **up to six hours prior to the time of the meeting** (i.e. **by Thursday, February 15, 2018**, at 09:00).

Voting through electronic voting papers:

A shareholder who is not entered in the Company's register of shareholders may vote, in relation to a resolution on the agenda as aforesaid, also through a voting paper that shall be sent to the electronic voting system (hereinafter - the "**electronic voting paper**"). The electronic voting paper opens for voting at the end of the determining date. **Voting through the electronic voting system shall come to an end six hours prior to the time of the meeting** (i.e. **Thursday, February 15, 2018**, at 09:00), **when the electronic voting system shall close.**

Quorum and adjourned meeting:

The quorum for commencing the discussion at the general meeting is two shareholders present in person or by proxy or who have sent the Company a voting paper noting the way in which they are voting, who join hold 25% of the voting rights in the Company. If a quorum is not present within half an hour of the time fixed for the meeting, the meeting shall be adjourned for one week to the same day, time and place without further notice thereof. If a quorum is not present at the adjourned meeting, one shareholder, at least, present in person or by proxy, shall constitute a quorum.

Inspection of documents

It is possible to inspect the text of the proposed resolution, the full text of the immediate report and the declarations of the candidate directors at the Company's offices on Sundays to Thursdays, during customary working hours, up to the time of the meeting and by prior arrangement with the Company's chief legal counsel, Adv. Iris Penso (tel. 09-8631103, fax. 09-8640857). In addition, it is possible to inspect the text of the resolution the distribution site of the Israel Securities Authority and on the website of TASE at the addresses noted above.

The Company