

## **The Developments in Israel's Oil and Gas Industry – March, 2013**

### **Major Events**

🔥 **Come and meet the Israeli oil and gas industry in Houston and New York at the beginning of May**

The Association of Oil and Gas Exploration Industries in Israel, together with the Federation of Israeli Chamber of Commerce and the Israeli Ministry of Economy and Trade, are coordinating two major events in the OTC conference taking place in Houston, Texas followed by an investor conference at Barclays, New York. The delegation will be composed of several leading Israeli oil and gas companies. For more information: <http://www.chamber.org.il/NewsLetter.aspx?code=273>

🔥 **Natural gas has started flowing from 'Tamar' Reservoir**

Natural gas has started flowing from "Tamar" Reservoir to the Israeli Shore. According to estimates, the natural gas that will be supplied from 'Tamar' reservoirs will save the Israeli economy approximately \$13 billion a year in energy costs. \$3.2 billion was invested in developing 'Tamar' field, including 150 km of underwater pipelines from the field to the Ashdod Gas Reception Facility.

🔥 **The probabilities in 'Leviathan' were increased**

• **'Leviathan' 4 appraisal well finished and the rig ENSCO 5006 moved to 'Karish 1' drilling**

Delek Drilling and Avner announced on March 8<sup>th</sup> that they intend to participate in the exploration drill "Karish 1" located in the "Alon C" license area. The drill will start in mid-March and is expected to last three months. The estimated drilling cost is approx. \$90 million.

• **Noble Energy announced: an increase of 6% in the estimated recoverable gross mean resources of 'Leviathan'**

Following the completion of the drilling at 'Leviathan 4' well, Noble Energy increases 6% the estimated recoverable gross mean resources of Leviathan field from 17 to 18 trillion cubic feet (TCF)

• **'Leviathan' Partners: The probability for finding crude oil has been increased**

According to the reports of the partner in "Leviathan", the probability of finding crude oil increased from 16% to 20%. The oil targets are located 7 km beneath sea level and drilling is expected to be conducted by the end of the year by the new drilling rig leased by Noble Energy, Atwood Advantage rig.

• **"Tamar" and "Leviathan" contain gas condensate worth about \$3 billion**

The natural gas reservoirs, 'Tamar' and 'Leviathan' contain approximately 35 million barrels of gas condensate. The gas condensates have not yet been priced but are estimated at about \$3 billion more than the current evaluations of both reservoirs.

### **Regulatory Developments**

🔥 **The new Minister of The Ministry of Energy & Water Resources is Mr. Silvan Shalom from the "Likud" party**

Mr. Shalom, the new Minister of Energy & Water in the new Israeli government, was cited saying after the beginning of the gas flow from 'Tamar': "This is a historic moment and a day of celebration which together with the celebration of 'Passover' that represents liberty, Israel celebrates its accomplishments of reaching energetic and economic independence".

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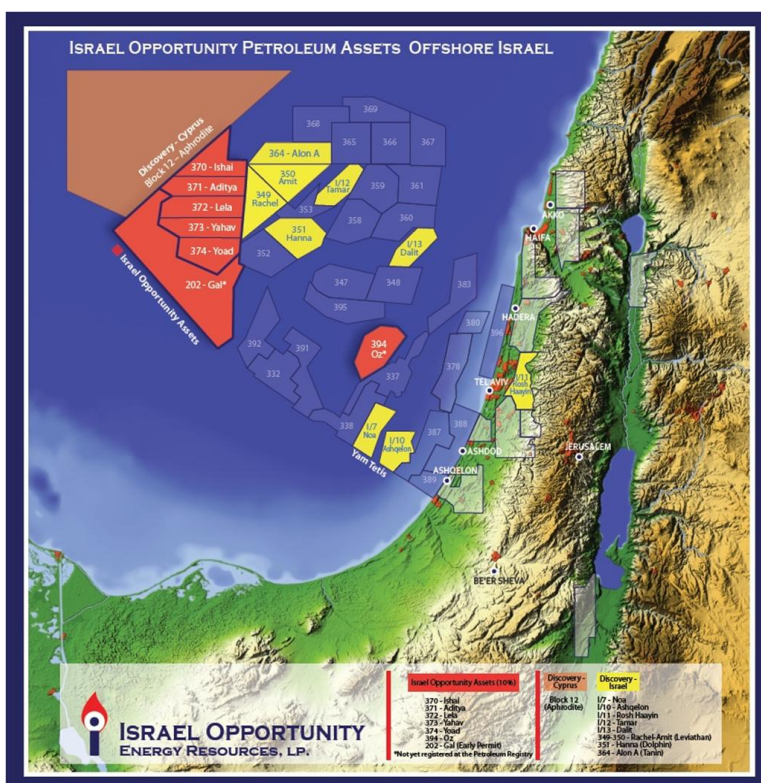
## Regional Events

### 🔥 **Cyprus: Gas discoveries potential is estimated in 60 TCF**

Cyprus revealed a report of the Wood Mackenzie company estimating the gas discoveries potential in her waters are 60 TCF, twice as much gas than discovered in Israel until today. The Wall Street Journal Reports that the Cyprus Government energy company estimates that the sum of selling natural gas will reach \$50 billion in the next 25 years.

### 🔥 **British Gas (BG) is in negotiations to develop 'Gaza marine' gas field**

A year after announcing intention of selling the "Gaza marine" gas field, BG renews the negotiation with Israel to develop the reservoir located west to Gaza. The natural gas in 'Gaza marine' was discovered in two drills in 2000 and the amount is estimated at approximately 1 TCF. If the parties will reach understandings, the gas produced may be used for a power plant built by the Palestinian Authority or to be sold to Israel.



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