

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

### **Major Events**

- 🔥 **'Royee and Neta' licenses were granted to Israel Opportunity**  
The Petroleum Commissioner granted Israel Opportunity (10%) together with Ratio Oil Exploration (1992) Limited Partnership (70%) and Edison (20%), the 'Neta' and 'Royee' offshore licenses within the 'Gal' preliminary permit territory. This is a major milestone on the way of Israel Opportunity to fulfill its strategy of building a diversified portfolio of oil and gas exploration licenses.
- 🔥 **Leviathan reserves were raised once again**  
Following 'Leviathan 4' well, the partners in Leviathan gas field raised the reserves in the field to 18.9 TCF of natural gas, 34 million barrels of condensate and 24 TCF of gross contingent resources

### **Industry Updates**

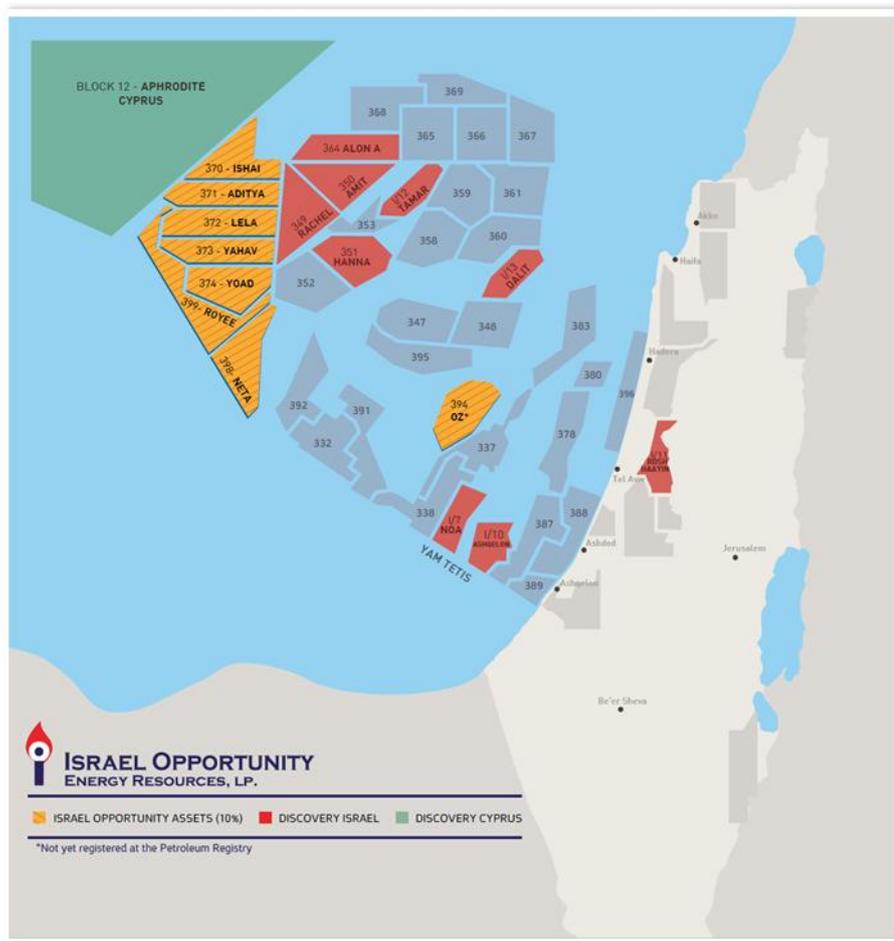
- 🔥 **'Shemen' drilling stopped due to high gas pressures, stock plunges 21.3%**  
Caspian Drilling Company, the operator of 'Yam-3' drill in 'Shemen' license announced that during drilling to the upper gas layers, high gas pressures than estimated were detected. The high pressures forced the stoppage of drilling at the depth of 3,551 meters. Following the announcement, the Shemen stock dropped 21.3% in an irregular circulation of NIS20 million.
- 🔥 **The amount of gas found in 'Aphrodite 2' well is negligible**  
On April 11 2013, the Partnership announced that the quantity of gas found in the 'Aphrodite 2' drilling that was carried out in the 'Ishai' license is negligible. The updated report was conducted by Ryder Scott Company, L.P. following the completion of the drilling.

### **Regulatory Developments**

- 🔥 **Gas export policy to be determined within two weeks**  
Minister of Energy and Water Resources Silvan Shalom believes that a decision regarding the export policy will be made in two weeks. According to the Minister, there might certain changes from the 'Zemach' committee report.

### **Regional Events**

- 🔥 **Silvan Shalom and Tony Blair discuss the development of the gas reservoir offshore Gaza**  
Minister of Energy and Water Resources Silvan Shalom met with official Envoy of the Quartet on the Middle East and former Prime Minister of the UK, Tony Blair. Amongst other things, the two discussed the negotiations recently recommenced on the developing of the gas field "Gaza Marine", offshore Gaza. The decision was made to create mutual teams to promote energy, gas and water issues.
- 🔥 **Expert Neil Hodgson from Spectrum: High chance of gas reservoirs bigger than 'Tamar' and 'Leviathan'**  
Dr. Neil Hodgson, an expert on behalf of Spectrum Company that participated in the oil and gas committee in Lebanon, estimates that there is a high chance of finding great accumulations of gas offshore Lebanon. In a 3000 km<sup>2</sup> search area, Hodgson estimates that they could find between 30-40 TCF of gas. If everything will go according to plan, Lebanon could start producing gas in 2019 or 2020. 46 oil-gas companies were approved in the first licenses round held by the supervisor of the Lebanese oil matters in the Mediterranean Sea areas.



**🔥 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 that is convening 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>

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