



ISRAELI GAS OPPORTUNITIES




ISRAEL'S GAS REVOLUTION

Israel is developing its vast offshore gas resources. In the past 15 years, Israel has transformed from being a net importer of fossil fuels to become self-sufficient in its gas consumption, already providing for more than 50% of the country's electricity generation.

The Discovery of giant gas fields in the Levant Basin, offshore Israel and offshore neighboring countries, has proven the potential of this world-class petroleum province. Israel is working to develop its offshore hydrocarbon resources.

The Ministry of National Infrastructure, Energy and Water Resources is promoting the rapid development of gas fields and is seeking to expand offshore exploration and production activities. We are committed to providing long-term regulatory stability and a favorable investment environment.

Our vision is to bring the benefits of natural gas not only to the Israeli economy, but also to other countries in the region. We have set a goal of becoming a center for the petroleum industry and a technology and innovation hub. We invite you to join us on this journey and participate in Israel's upcoming offshore Bid Round.



THE ROAD TO SUCCESS

1955-1995



450 wells have been drilled onshore and offshore Israel. The onshore Heletz Oil Field was discovered in the 1950s and has produced a total of 17 MMBL since then. Light oil shows were found in three offshore wells.

1999-2004



Natural Gas was discovered in shallow offshore reservoirs (Noa, Mari B, Or, Nir Fields). Commercial gas production began from the Mari B Field.

2009-2010



Discovery of the giant Tamar and Leviathan natural gas fields (approximately 750-900 BCM) in deep subsalt offshore reservoirs (Tamar sands).

2011-2013



More gas was discovered in deep water, reservoirs (Karish, Tanin, Tamar SW, Shimshon Fields). First gas supplied to the shore from the Tamar Platform, connected to the Tamar Field with a 150km long tie-back.

2014-2015



Following a two-year cessation of activity due to a review of the gas market by the Antitrust Authority, the new "Gas Framework", prepared by the Energy Minister, was approved by the government and by parliament. Development activity has now been resumed; The first contracts for Leviathan gas have been signed; sale of the Karish and Tanin Fields is underway.

2016 First Bid Round in offshore areas is scheduled.

Annual natural gas consumption reached 8.4 BCM in 2015, representing an 11% growth from 2014.

ISRAEL'S FIRST OFFSHORE BID ROUND - BLOCK DELINEATION

1 LEVIATHAN GAS FIELD
Discovered - 2010
Operator - Noble Energy
Estimated Reserves -
500 BCM (2C)
Status - Under development
Water Depth - 1650 m

2 TAMAR AND TAMAR SW
Discovered - 2009
Operator - Noble Energy
Estimated Reserves -
282 BCM (2P)
Status - Producing
Water Depth - 1680 m

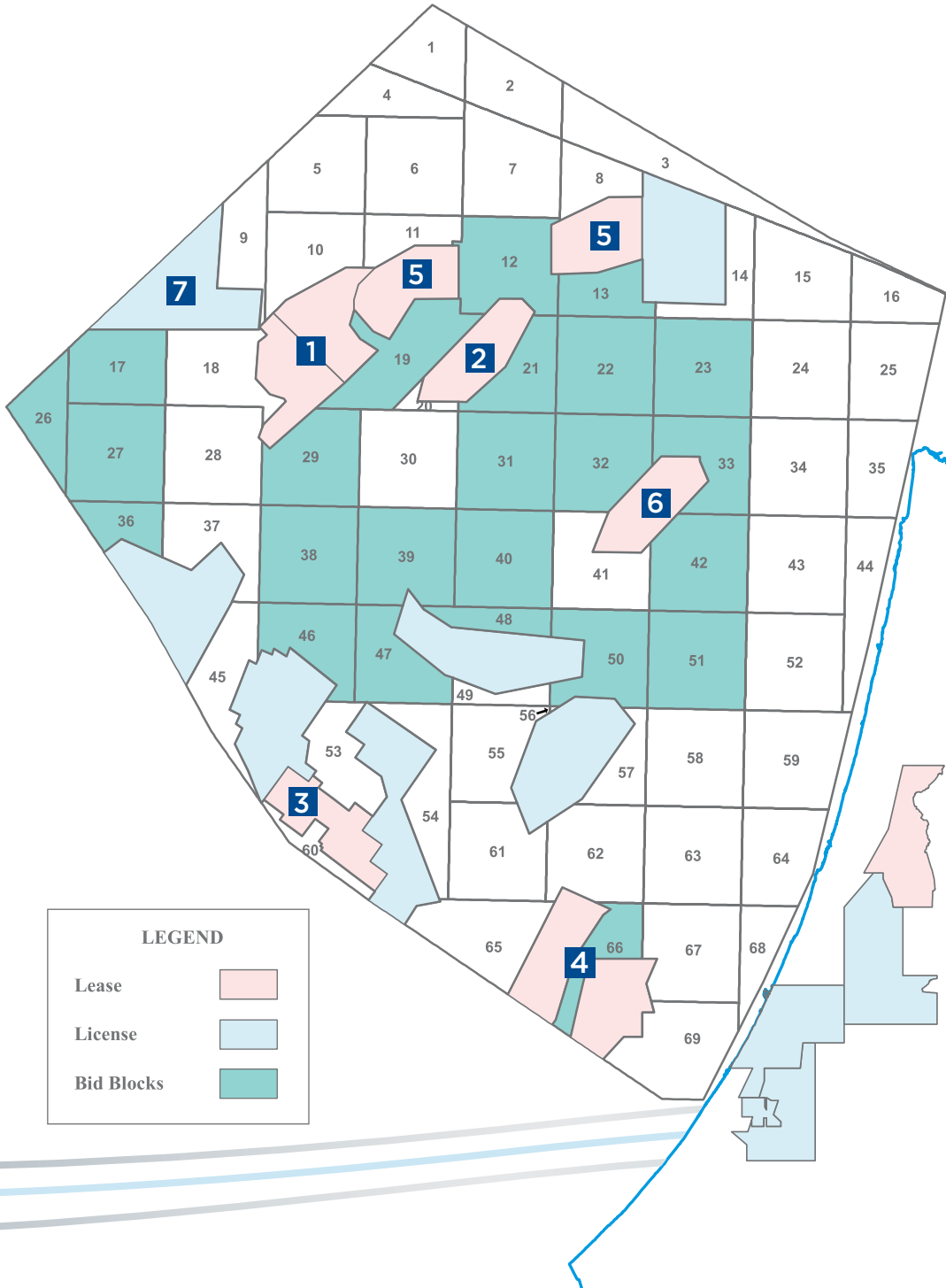
3 SHIMSHON GAS FIELD
Discovered - 2012
Operator - AGR/Isramco
Estimated Reserves - 5 BCM (2C)
Status - Under development
Water Depth - 1100 m

4 MARI B AND NOA GAS FIELDS
Discovered - 1999-2000
Operator - Noble Energy
Status - Produced 25 BCM
since 2004
Water Depth - 235 m, 790 m

5 KARISH AND TANIN GAS FIELDS
Discovered - 2012-2013
Operator - Noble Energy
Estimated Reserves -
55 BCM (2C)
Status - Awaiting development
Water Depth - 1750 m

6 DALIT GAS FIELD
Discovered - 2009
Operator - Noble Energy
Estimated Reserves - 8 BCM (2C)
Status - Not developed
Water Depth - 1380 m

7 APHRODITE/ISHAI GAS FIELD
Discovered - 2012
Operator - AGR/Namax
Estimated Reserves - 7-10 BCM (2C)
(Israeli side, under review)
Status - Not developed
Water Depth - 1700m



LEGEND

Lease



License

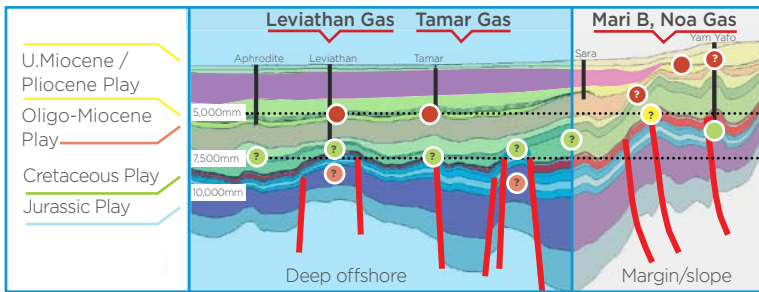


Bid Blocks



THE LEVANT BASIN POTENTIAL

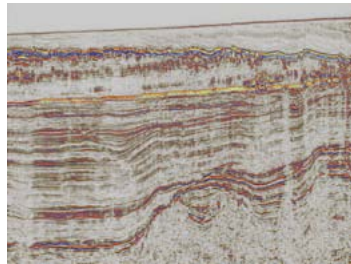
A recent evaluation of the Levant Basin's petroleum systems by BeicipFranlab indicates a significant Yet to Find potential in Mesozoic and Tertiary reservoirs, of 6.6 BBL of oil and 75 TCF of natural gas, in place. These are estimated to be found in 4 different plays extending from the shallow margins in the east to the deep basin in the west.



● Oil ● Deep gas ● Biogenic gas ● Oil and gas

CATEGORY of Prospective Oil and GAS	OIL	GAS	
	Jurassic/ Cretaceous	Jurassic/ Cretaceous	Tertiary
	Billion bbl	TCF	TCF
YET-TO-FIND in Place Best Guess P50 Probable + Possible (excluding discoveries)	6.6	17	58

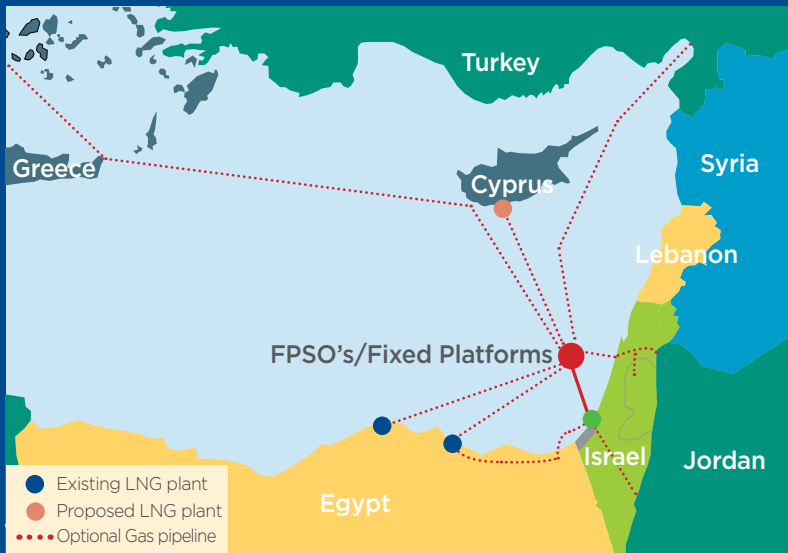
High-quality seismic profiles show various types of structural and stratigraphic traps offshore Israel.



EXPORT OPTIONS

At present there are 9 production leases and several active exploration licenses offshore Israel. To exploit the full potential of the basin, the Ministry will be conducting bid rounds on open blocks within the coming months.

In 2013 Israel adopted a Gas Export Policy allowing export 50%-100% of newly discovered natural gas reservoirs.



Various options for export from the Israeli gas fields are being considered, including pipelines to nearby Egypt (LNG Facilities and domestic consumption), Jordan, and Cyprus as well as to more distant locations such as Greece and Turkey.

BID HIGHLIGHTS

- ◆ 24 offshore blocks are offered for exploration in the first bid round
- ◆ Each Block is up to 400 km² in size
- ◆ Water depth of the offered blocks is ranging between 800 to 1800m
- ◆ Prolonged exploration period with a drill-or-drop option of at least 1 well
- ◆ Data package with seismic and well data and highlights of basin analyses, available for evaluation
- ◆ The Israeli government is committed to support E&P activity and development of new fields
- ◆ Opening bid round in November, 2016
- ◆ Closing bid round in March, 2017



**Ministry of National Infrastructure,
Energy and Water Resources**
www.energy-sea.gov.il