Oil & Gas Opportunities Offshore Israel

Booth 12

Global Appex 2019
London
March 6, 2019
The Israeli Gas Revolution

1999 vs 2019

20 years

Ministry of Energy
www.energy-sea.gov.il
The Israeli Gas Revolution

- Ten gas fields were discovered offshore Israel since the year 2000, including Tamar and Leviathan fields in 2009-2010
- Gas reserves are estimated at 604 BCM (2P) with additional 234 BCM (2C) available for production
- Two fields were already developed (MariB & Tamar) & two others (Leviathan & Karish) will be connected to the shore in 2019 and 2021
- Gas is the main source of energy for power generation and is rapidly introduced to industry, transportation and households
Israel’s 2nd Offshore Bid Round

- Israel launched its 2nd offshore bid round in November 2018
- 19 exploration blocks grouped into 5 Zones are being offered
- The offering includes attractive drilling targets south of major gas discoveries
- The bid round will be closed for submission on June 17, 2019
- Pliocene, Yafo Sand Play (Proven)
- Oligo-Miocene, Tamar Sand Play (Proven)
- Lower Cretaceous Sand Play (Potential)

- Middle Jurassic, Fractured Carbonate Play (Proven)
- Jonah High Multiple Plays (Potential)
Zone A Prospectivity

- Jonah High an elevated basement block possibly capped by carbonates, and Oligo-Miocene stratigraphic traps in different areas
- Prospective resources are estimated at 3.5 Tcf of gas in the Serravalian channel complex (Best estimate by previous operator)
Zone C Prospectivity

- Multiple, Lower to Middle Miocene stacked fans and channel-fill deposits below the thick Messinian Salt cover, identified by previous operators.
- Prospective resources are estimated at 4.9 TCF of gas and 1.7MMBBL of Condensate (Best estimate by NSAI).
- Geologic COS are estimated at 24-30%.
Zone D Prospectivity

- Large, elongated “Syrian-Arc” type fold with potential at three reservoir intervals: Oligo-Miocene, Intra-Oligocene and Cretaceous, identified by previous operator
- Potential for biogenic gas in shallower levels and oil in deeper levels
- Prospective resources are estimated at 3.5 TCF of gas and 351 MMBL of oil (Best estimate by NSAI)
Israel has among the highest growth rate of gas usage in the world.

The main driving factors are population growth, closing of coal-based electric plants and wider use in heavy industry, transportation, and households.

85% of electricity will be generated from natural gas in 2022.

Economic models predict that gas demand will more then double, to about 25 BCM in the next two decades.

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Gas Demand Forecast - Likely Scenario
(Gas Authority, 2018)
Export options from the Israeli gas fields to neighboring countries are continuously being developed.

- Three contracts have been signed with Jordanian companies totaling 47 BCM.
- Two contracts have been signed with Egyptian companies totaling 64 BCM.
- The planning of the EastMed pipeline, connecting Israel and its neighbors with Europe is underway supported by the EU.
License Terms

- Exploration and production blocks are managed as concessions under tax/royalty fiscal regime
- 5 multi-block zones of up to 1,600 km² (comprised of 3/4 blocks), containing diverse plays and prospects
- For each zone an extended exploration period of up to 7 years with two drill-or-drop options (3+2+2 years) is available
- Bid evaluation criteria are 85% work program, 10% signature bonus and 5% general impression
- A comprehensive data package containing well data, 2D & 3D seismic data
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