

Oil & Gas Opportunities Offshore Israel

Booth 12

Global Appex 2019
London
March 6, 2019



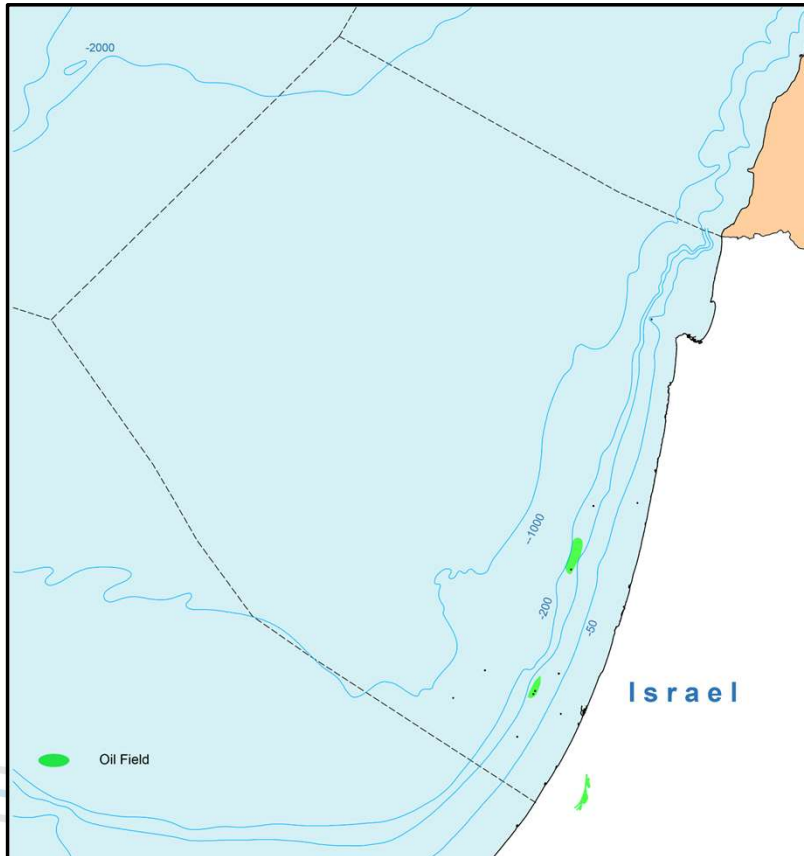
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The Israeli Gas Revolution

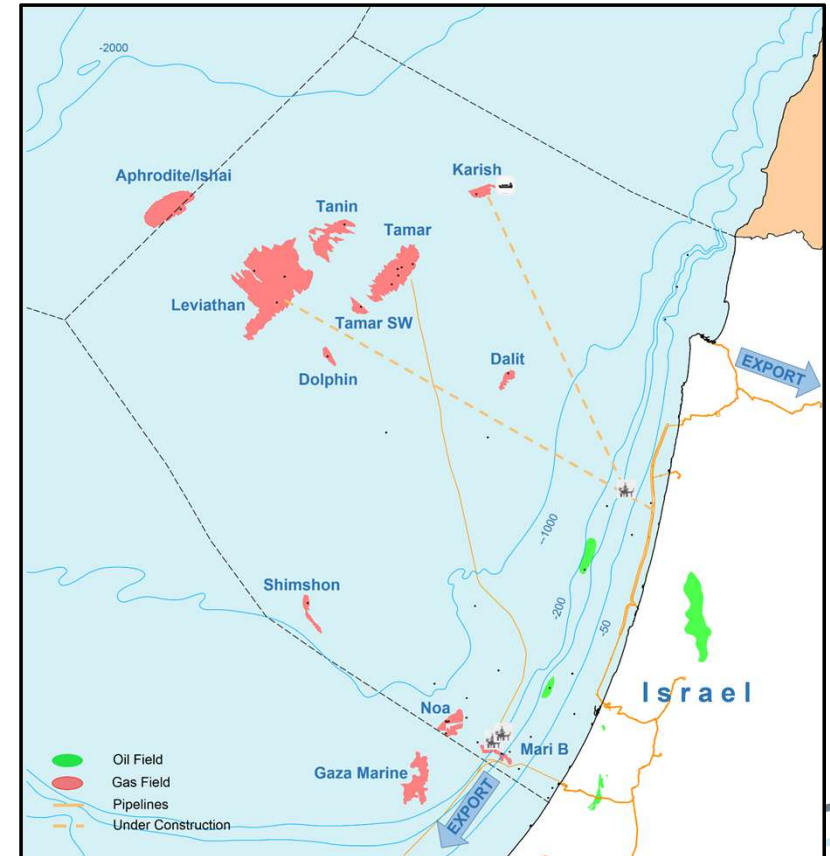
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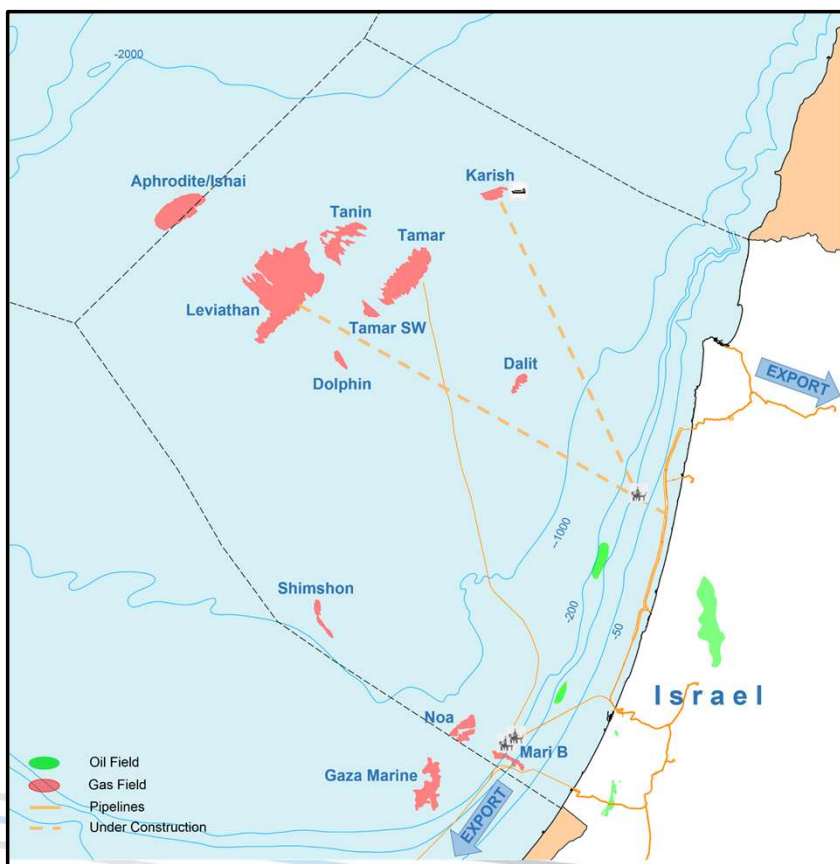
20 years



2019



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



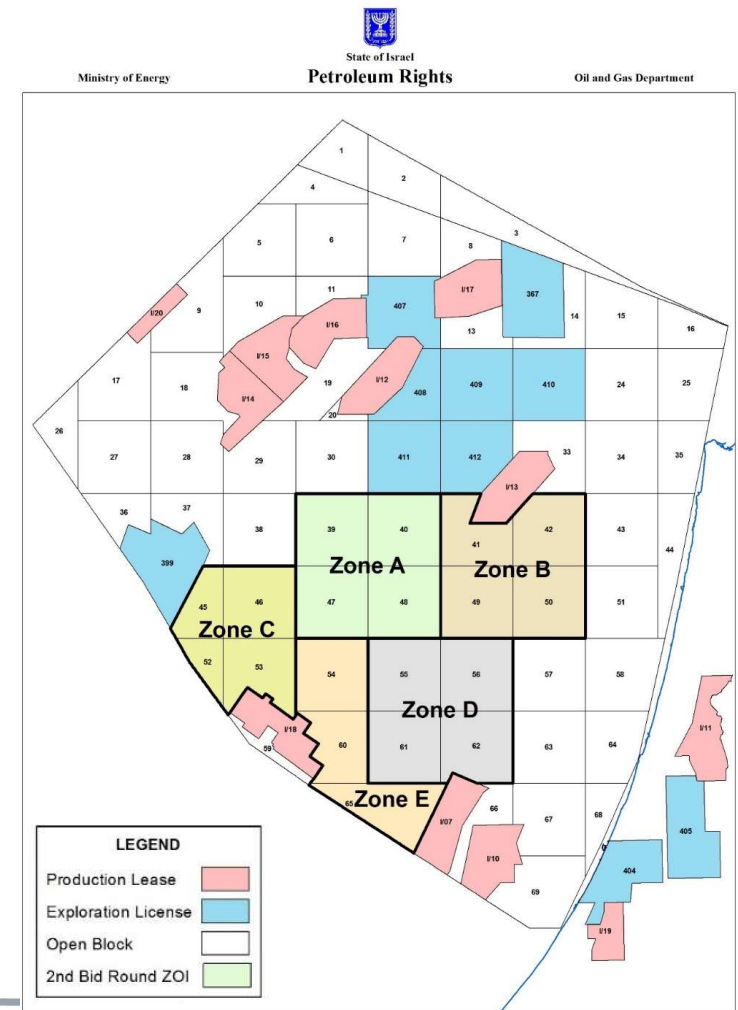
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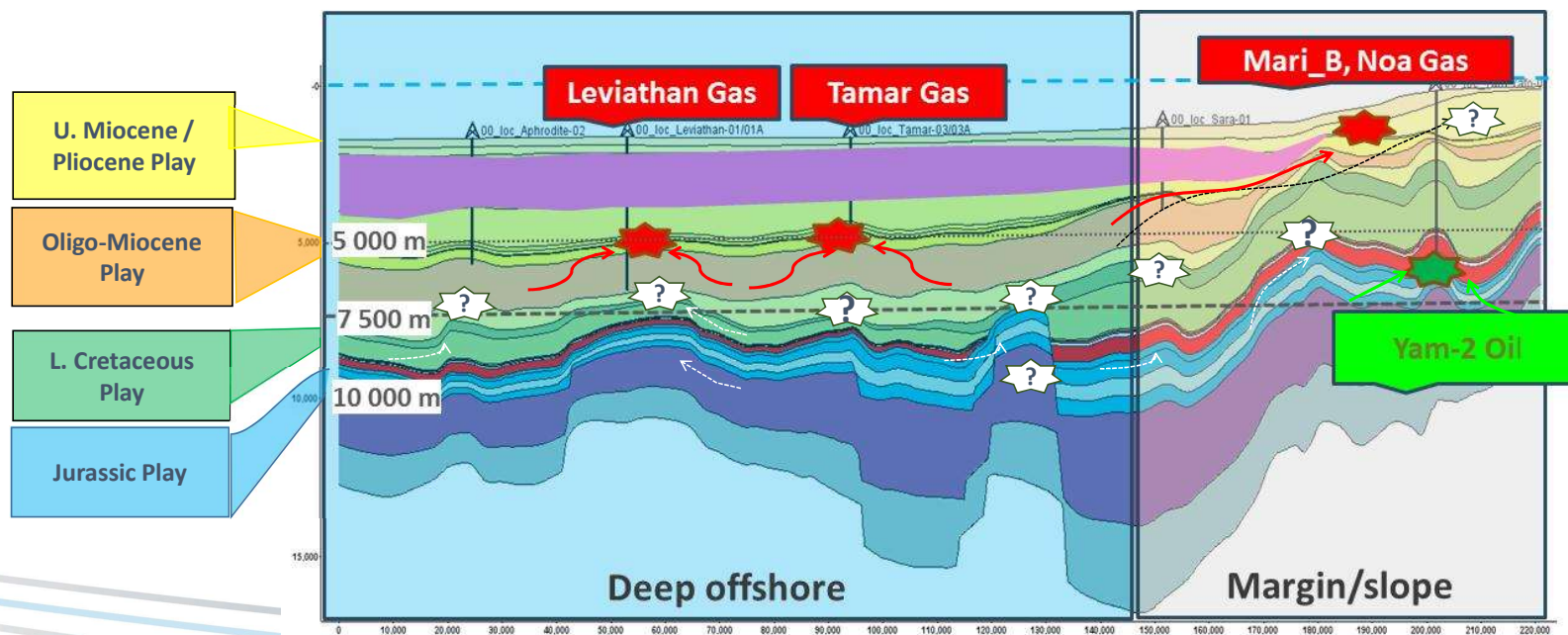
Israel's 2nd Offshore Bid Round

- 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



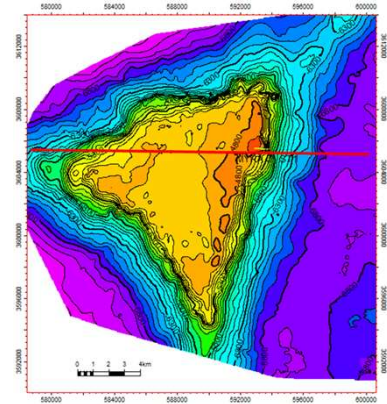
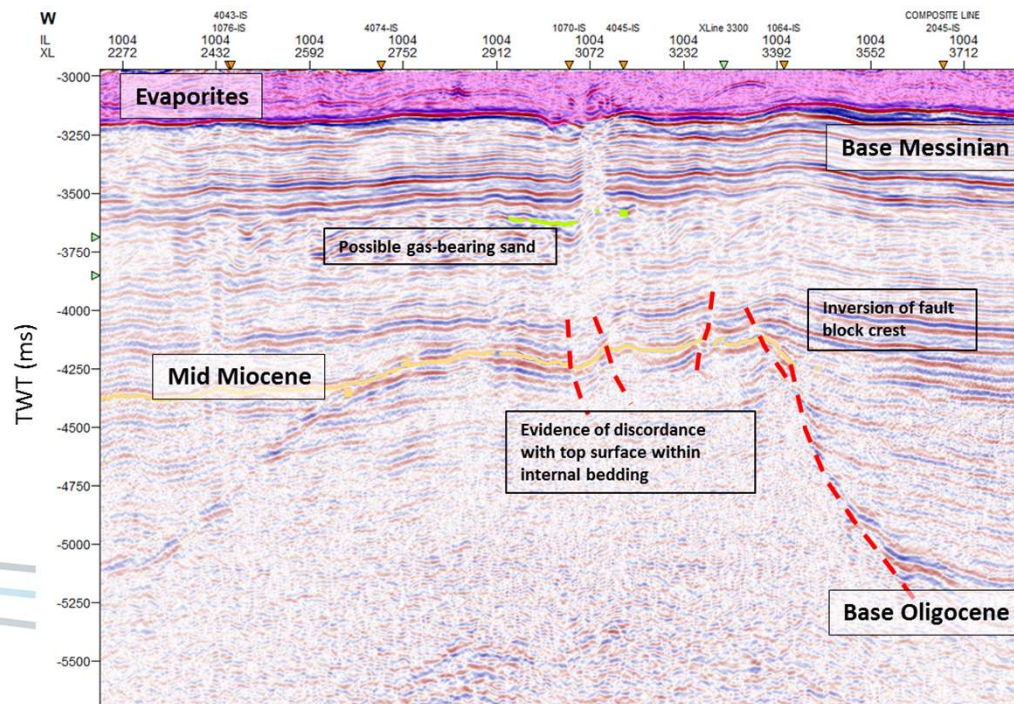
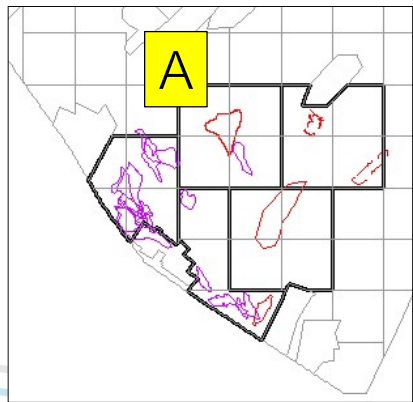
Proven & Potential Hydrocarbon Plays

- 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)

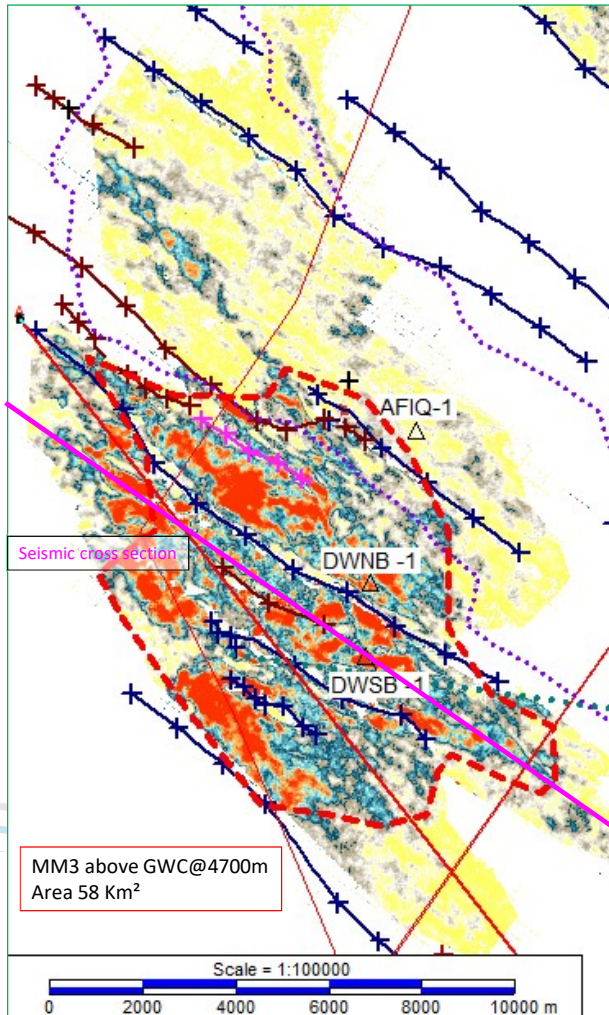


Zone A Prospectivity

- 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 in Serravalian channel complex (Best estimate by previous operator)

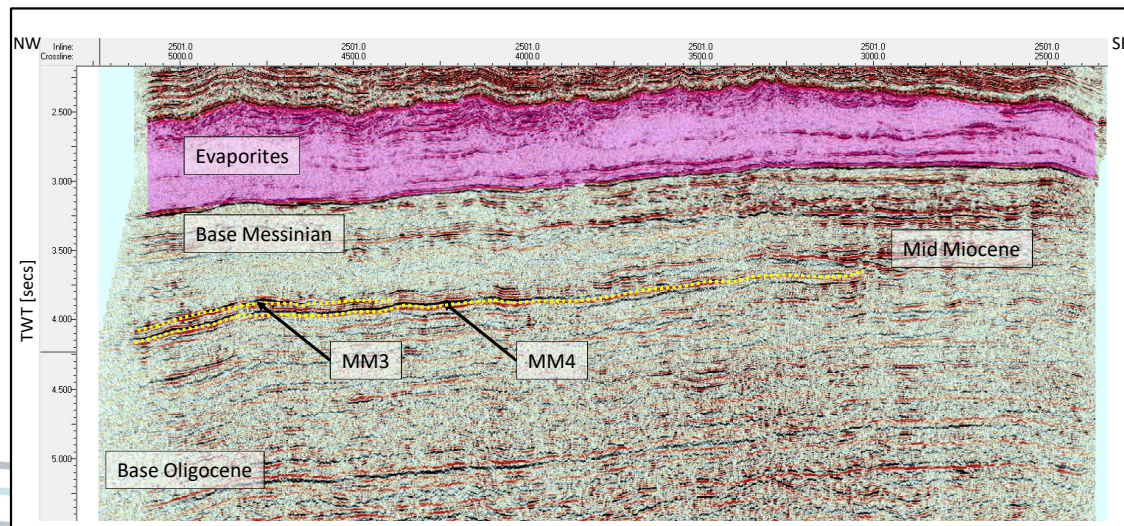
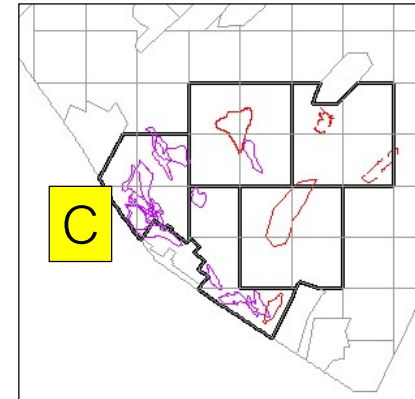


Amplitude (Inst) anomalies



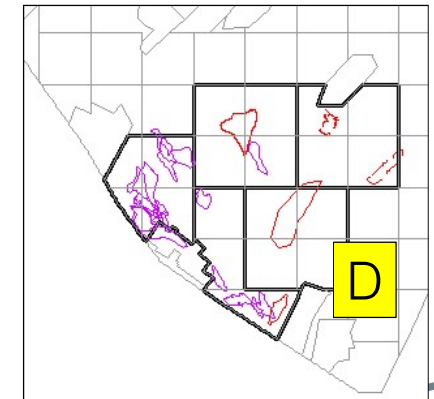
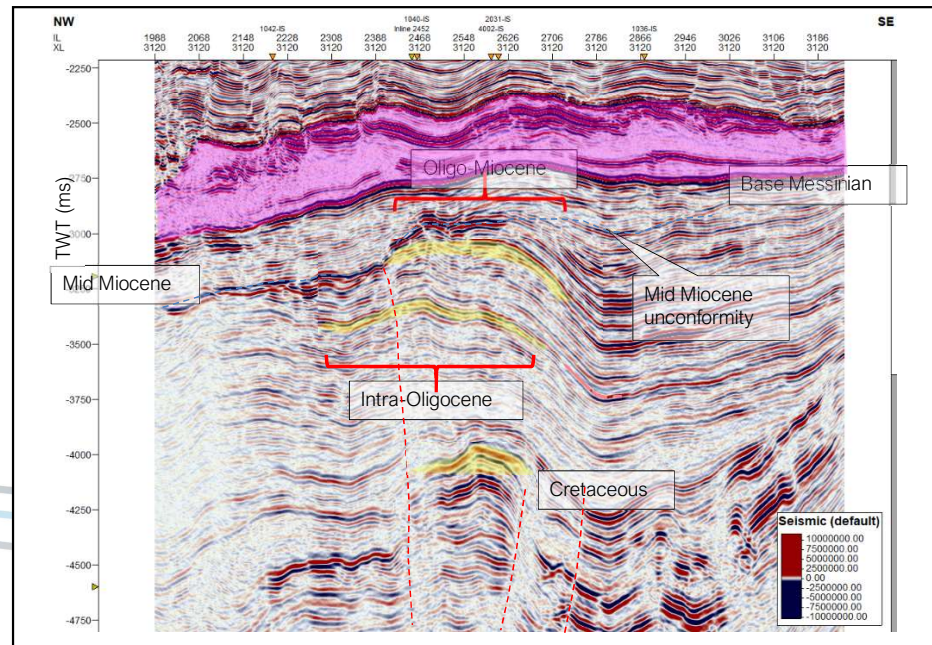
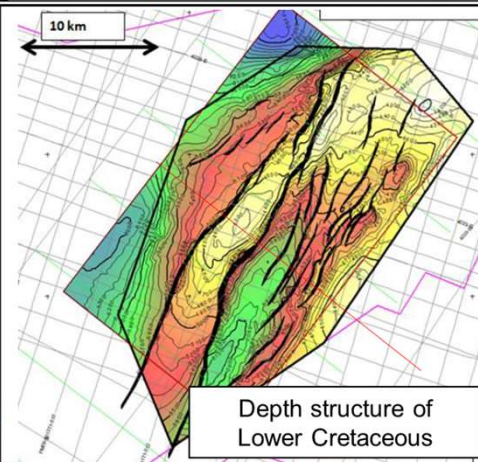
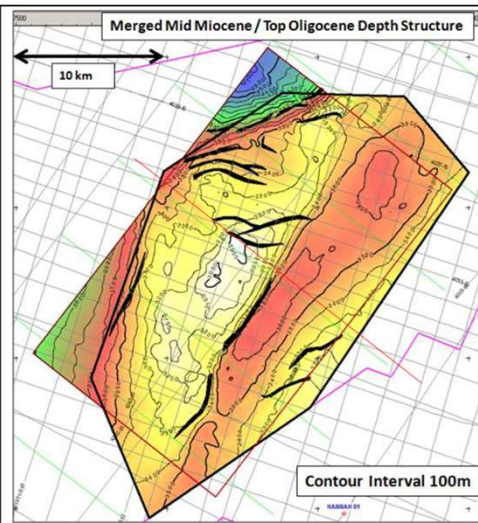
Zone C Prospectivity

- 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)

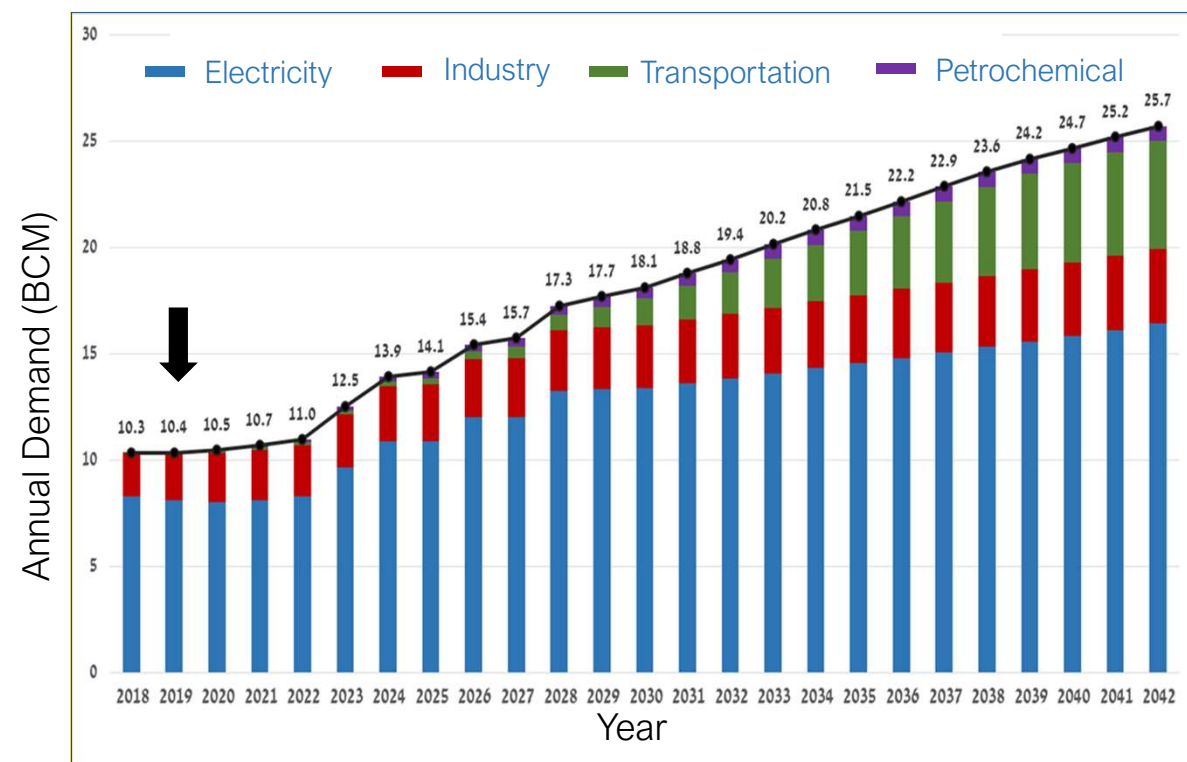


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Domestic Market



Gas Demand Forecast - Likely Scenario
(Gas Authority, 2018)

- 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 than double, to about 25 BCM in the next two decades



Export Options

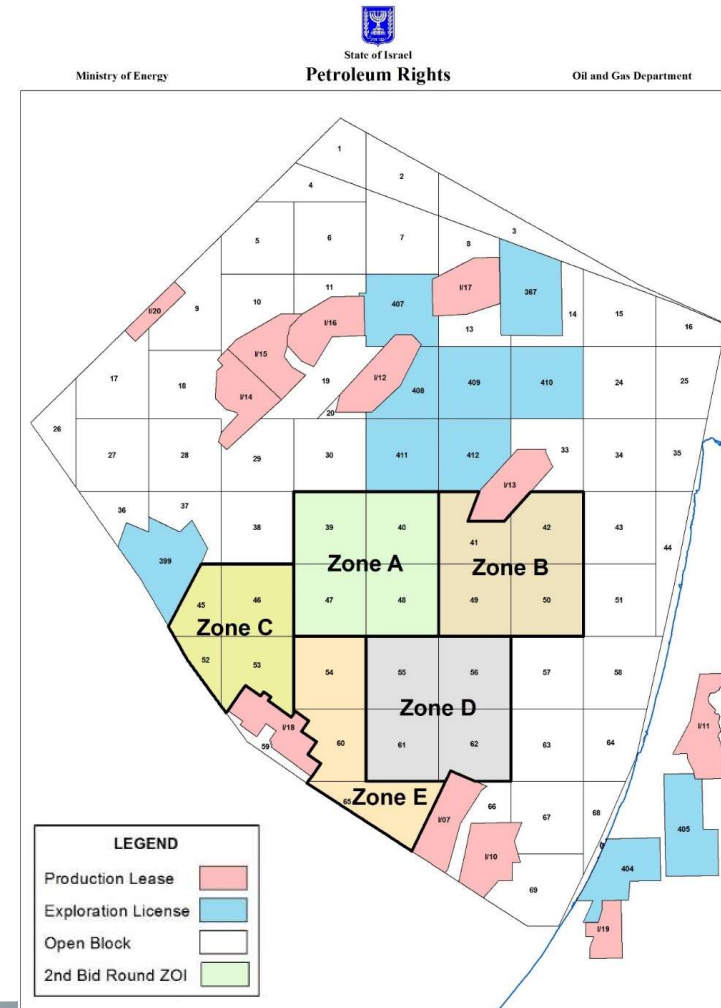


- Export options from the Israeli gas fields to neighboring countries are continuously being developed
- Three contracts have been signed with Jordanian companies totaling 47 BCM
- Two contracts have been signed with Egyptian companies totaling 64 BCM
- The planning of the EastMed pipeline, connecting 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



We Invite you to visit us at booth No. 12



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