



PetroMed⁴

DECEMBER 2008 | GAS SUPPLIERS

Egypt Gas, EMG, Ampal, Yossi Maiman

The court in Egypt decided to set the date for the appeal by the Government of Egypt's against the legality of the gas agreement between Egypt and Israel to the 17th February. The government claims that the deal was legal and approved by the government. The government is also claiming that the government of Egypt cannot be the party taken to court since the deal was entered into between EGPC and EMG.

From the beginning of the 2008, Ampal lost 93% of its value, mostly because of its shares in EMG.

Yam Tethys, Delek, Tshuva, Noble

Tamar drilling reached a depth of 2,400 meters on the 1st December

Two major analysts At the Psagot investment house estimate that Delek energy's share price is undervalued due to the fact that they say that Israel will require further resources of natural gas and the huge dependence of consumers such as IEC sources from Mari and from the potential available in Tamar.

Delek Group and Paz Oil Company won a NIS 750 million tender to supply fuel to EL AL. Paz will supply 80% of the fuel and Delek will supply 20%. Paz had a built-in advantage in the tender because it can supply fuel directly from its subsidiary, Paz Ashdod Refinery Ltd. It also provides El Al with infrastructure services through Aviation Services and Assets Ltd. Industry sources estimate the tender's profit margin to be very low because the fuel vendors will be exposed to monthly inventory deliveries, since El Al pays once every two months. Jet fuel is El Al's largest expense.

The Zerah license #321 was extended by the Petroleum Commissioner until 31.12.2008. The operator of the License is the Zerah Oil and Gas Partnership. During the extended license period, the JV, including Delek must carry out seismic studies in the Zuk Tamrur 4 area by the 1.9.2009; produce gas from the Amuna and Zuk Tamrur 3. Delek holds 25% of the Zuk Tamrur license within the Zerah licensed area.

Razio Oil and Gas Partnership has decreased its share in the Rachel, Amit, Hannah, David and Eran licenses by 10%, namely down to 15% and has transferred this 10% to the other partners in the license.

Tamar drilling has reached a depth of 4,000 meters at the end of December and is thus getting close to its td point.

Oil and Gas Exploration

The Petroleum Commissioner Committee within the MNI met on the 15th December and decided on the granting of new licenses. The next board meeting will be during the first quarter of 2009.

LNG

The MNI held an LNG conference on the 9th December in Houston, USA to interest foreign companies in supplying LNG to Israel. Between 20-40 of the largest energy companies participated in the conference, including Shell, ExxonMobil, Total, Chevron, BP, Gazprom, Gas de France, ENI, Delek and BG.

The tender committee of the MNI chose the Israeli engineering company Tahal as the winner of the tender for the LNG planning and siting. This is the first LNG tender, namely not the one for the supply of liquefied gas or the actual construction of the LNG facility, but the tender dealing with the siting and standard issues.

Turkey - Israel Infrastructure Corridor

MNI Minister Ben Eliezer spent a few hours in Turkey in mid December discussing once again the infrastructure project between the two countries.