



## MARCH 2009 | Natural Gas Suppliers

### **Egypt Gas, EMG, Ampal, Yossi Maiman**

- Egyptian Minister Fahmi hinted to Al-Ahram that the price of Egyptian gas to Israel may increase by 70%, as the price of Egyptian gas for exports will probably stand at between \$2.50 - \$2.65 mmbtu, compared to the price that EMG has been paying EGAS hitherto of \$1.50. Fahmi said that Egypt had taken the strategic decision to become a hub for Eastern Med countries as well as to Europe.
- Ampal recorded a consolidated net loss of \$16.7 million for the fiscal year ended December 31, 2008, as compared to a net income of \$7.8 million for the same period in 2007.

### **Yam Tethys, Delek, Tshuva, Noble**

- Delek and partners received 12 new offshore drilling licenses (preliminary permits)
- President Shimon Peres invited Tshuva, Gideon Tadmor and the delegation from Noble to the President's House to hear about the Tamar discovery and praised the partners extensively for their work



- Tshuva has stated that the State would earn 40 billion shekels from taxes and royalties from Tamar
- Davidson, Noble CEO said that first gas from Tamar would be available between 3-5 years and that there were means to speed up the timetable as much as possible.
- HSBC has offered the Tamar JV \$1billion towards the development of Tamar. The offering was lead by the Israeli branch of HSBC.
- The Tamar JV has approached the Petroleum commissioner to obtain a lease on their Matan license. This is a formal procedure and one of the phases in the oil and gas exploration process that grants the license holder the right to develop a field and market gas from it for a period of 30 years + a potential 20 year extension.
- At the end of March, after only 2.5 weeks of drilling, the Dalit drilling reached a depth of 3,660 meters where it showed initial signs of gas bearing sands. The next stage will be to carry out production testing

## **LNG**

- In light of the two natural gas discoveries – Tamar and Dalit – the Natural Gas Authority within the Ministry of National Infrastructure has recommended to the MNI Minister and to the Minister of Finance to change the structure of the LNG tender in such a manner as to enable sufficient demand to remain available in the market for Tamar.

## **Isramco and IOC**

- Isramco published its financial report for the fourth quarter and full year of 2008. Isramco posted losses for both the quarter and the year due to heavy financing expenses. Isramco posted a net loss of NIS 82.3 million for the fourth quarter, with NIS 80.6 million in financing expenses. For the year as a whole, the company posted a net loss of NIS 170 million compared with a net profit of NIS 8.4 million in 2007. The company reported NIS 165.5 million in financing expenses in 2008, compared with NIS 12.8 million in financing revenue the year before. Isramco attributed the financing expenses to the reduction in value of its securities, net of interest and dividends, by NIS 170.3 million. The company also reported losses on exchange rate hedge deals on funds equal to the amount of its planned investment in the Tamar prospect.

## Zion Oil and Gas

- Zion Oil & Gas announced that Zion has advised Aladdin Middle East Ltd that they should proceed with mobilization of the 2,000 horsepower drilling rig that Zion plans to use to drill its Ma'anit-Rehoboth #2 well. Zion anticipates that the required Turkish rig crew work visas will be granted soon and due to the time required to ship the drilling rig (which has already been packed into eighty loads) from Ankara, Turkey to Haifa, Israel, Zion has given notice to AME to proceed with mobilization of the drilling rig. It is anticipated that the drilling rig will arrive in Israel, clear customs and be fully rigged-up (i.e. erected) to begin drilling in April 2009. Zion currently holds two petroleum exploration licenses, the Joseph and Asher-Menashe Licenses, between Netanya on the south and Haifa on the north, covering a total of approximately 162,000 acres. Zion has applied for a further permit area (tentatively named by Zion the Issachar-Zebulun Permit Area) and the application, if granted, will increase Zion's total license area to over 400,000 acres.



Zion's Chief Executive Officer, Richard Rinberg, said today, "We eagerly anticipate the arrival of the 2,000 horsepower drilling rig and the drilling of Zion's second well, on our Joseph License, to the Triassic Formation (down to a depth of 15,400 feet) and then, we plan, to the Permian Formation (down to a depth below 18,000 feet)."

## Energtek

- Adsorbed natural gas technology developer Energtek reported that it has been given a commercial license for the exploration, production and sale of natural gas in the northern Negev.