



PetroMed⁴

OCTOBER 2008 | Oil and Gas Suppliers

Egypt Gas, EMG, Ampal

- Gas from Egypt is still not flowing regularly due to problems in the quality of the gas transmitted from Egypt to Israel.

Yam Tethys, Delek, Noble

- The rig which Delek has a contract for to drill the Tamar license is the Atwood Hunter and it has departed West Africa on its way to Israel. The cost of the work is \$460,000 a day and the drilling is to last for 35 days. The drilling will start sometime in mid November, and will take place 90 km offshore from Haifa at a water depth of about 1,650 meters to a total depth of 5,000 meters including the water, for a budget of \$144.5 million (100%) with the objective to drill to the tertiary layers. The partners in the licenses are Noble, Delek, Avner, Isramco and Dor Gas.
- S&P has maintained Yam Tethys credit rating at BBB- with a steady outlook for the senior secured notes due 2013 for \$275 million.

LNG

- Only two companies submitted proposals in the tender for the planning of an LNG facility: Baran Engineers and Tahal. However, Tahal proposal was entered into the tender box 20 minutes after the due date/time and was thus rejected. Tahal is currently claiming that this was due to a traffic jam on the Tel-Aviv Jerusalem road and are demanding that their proposal be accepted as the circumstances were of FM. The issue is being examined by the MNI's legal department.Error! Bookmark not defined.

Gazprom

- Discussions are continuing between Gazprom and Israeli decision makers regarding attempts to enter into a deal to import natural gas from Russia to Israel.

Shale Oil

- The Petroleum Commissioner Yaacov Mimran has gone to Estonia to examine new improved technology for the production of shale oil while having to invest less energy in the production thereof. According to the Ministry's estimations, Israel has reserves of about 300 billion tons of shale oil with the potential to supply high quality oil for 40 years. This potential has not been previously examined because of low oil prices and is estimated to be economic only with oil prices at or above \$30 a barrel. MNI Minister Ben Eliezer stated that if the Ministry's forecast regarding the potential for shale oil materialize, we will have

high quality oil beneath our feet. The Ministry has already granted a license to explore for shale oil to the US company LEI on an area of 238 dunam.