

# Israel launches first international bid round for offshore oil and gas exploration blocks

The Israeli Ministry of Natural Infrastructure, Energy and Water Resources has recently released its plans to launch an offshore bid round to expand offshore exploration and production activities. This is the first time that the Ministry is conducting such a bid for offshore blocks.

The bid round is part of a larger plan to develop Israel's offshore hydrocarbon resources, and to make Israel a center for the petroleum industry. The blocks to be offered under the bidding round are located adjacent to other blocks leased or licensed by other operators which have shown significant reserves.

A recent evaluation of the blocks that will be open for bidding, shows significant potential in certain reservoirs, extending to both shallow margins and deep basins.

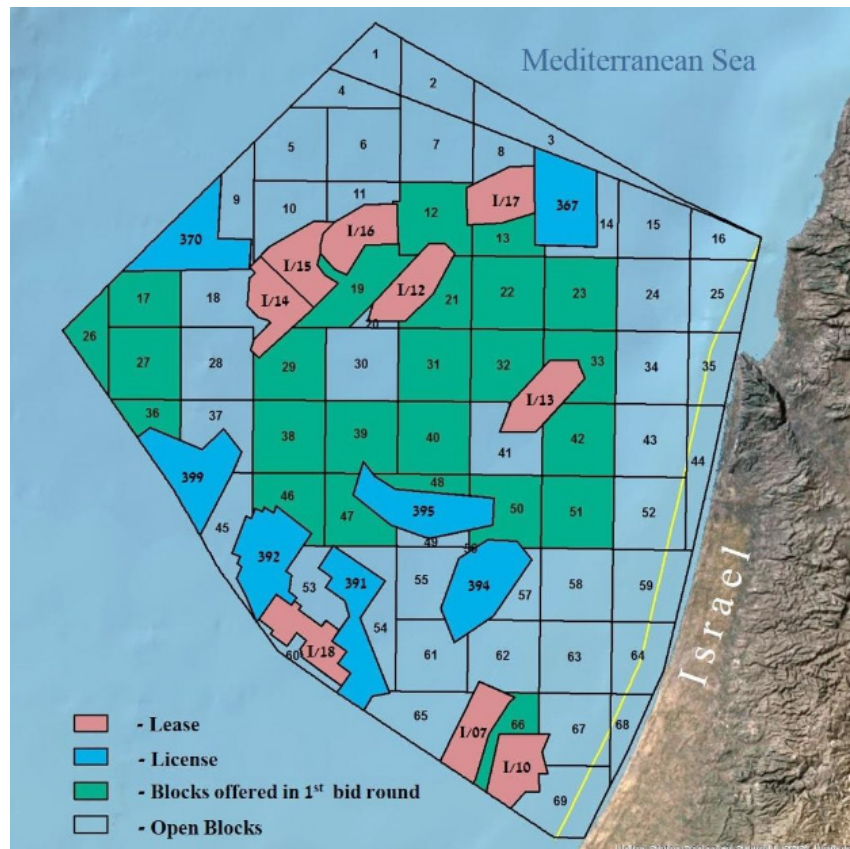
Several possibilities for export from these gas fields are being considered, including pipelines to nearby and distant locations.

### Previous discoveries in the area include:

Leviathan gas field (estimated reserves - 500 BCM (2C)), Tamar and Tamar SW (estimated reserves - 282 BCM (2P)), Shimshon gas field (estimated reserves - 5 BCM (2C)), Mari B and Noa gas fields (status - produced 25 BCM since 2004), Karish and Tanin gas fields (estimated reserves - 55 BCM (2C)), Dalit gas field (estimated reserves - 8 BCM (2C)), and Aphrodite/Ishai gas field (estimated reserves - 7-10 BCM (2C)).

### Key facts about Israel's oil and gas regulatory regime:

- Licence based system;
- A production Lease is granted for 30 years (extendable to 50 years);
- Exploration & Production work is governed by the Petroleum Law (1952) and supervised by the Petroleum Commissioner;
- The Israeli government approved the export quotas for natural gas in 2013.



**In the bid round, 24 blocks that are located in the central part of the offshore area will be offered for bidding.**

**Highlights of the upcoming rounds, as presented by the Ministry, include the following:**

- 24 offshore blocks will be offered for exploration;
- Each block will be up to 400 km<sup>2</sup> in size;
- Water depth of the offered blocks ranges from 800m to 1800m;
- A lengthy exploration period with a drill-or-drop option of at least 1 well; and
- Data package with seismic and well data and highlights of basin analyses, available for evaluation.

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Members of ERM's oil and gas team are available to further discuss this opportunity and Israel's Exploration & Production regime. We can also assist with introductions to relevant local companies and regulators.

ERM has gained significant experience and expertise advising oil and gas companies, suppliers, investors and financiers on a wide range of complex upstream, midstream and downstream projects, acquisitions and disposals carried out both in Israel and abroad.

For more information, please contact a member of ERM's oil and gas team:



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**Bid timeframe:**

Event	Estimated Date	Location
Publication of tender documents	15 November 2016	Online
End of Q&A	15 February 2017	Online
Closing Date	21 April 2017	

**Summary of the items included within the data package prepared for participants:**

Data type	Data content	Format
Well data and reports	19 deep wells	LAS, PDF
2D seismic surveys	TGS 2001 survey (64 lines and acquisition report)	SEGY
	TGS 2008 survey (17 lines and acquisition report)	SEGY
Bathymetry	1 Grid and technical report	ASCII
Gravity	1 grid and acquisition report (TGS 2001 survey)	ASCII
Magnetic	1 grid and acquisition report (TGS 2001 survey)	ASCII
Reports	Highlights of Basin Analysis-Beicip FranLab (2015)	PDF
	Regional geologic report -Gardosh et al. (2008)	PDF