

A NEW DAWN IS UPON ISRAEL

Universal Oil & Gas Dead Sea 2014 Post Show Report



18-20 November 2014
David Dead Sea Resort & Spa Hotel

The 1st International Oil & Gas Conference and Exhibition in Israel

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Universal Oil & Gas 2014 Highlights

Universal Oil & Gas proudly hosted UOG 2014—Israel's 1st International Oil & Gas Conference and Exhibition at the David Dead Sea Resort and Spa, Israel on 18-20th November 2014.

The UOG 2014 conference theme, "A New Dawn: Profiting from Israel's Energy Potential Today" brought global energy professionals together in Israel for the first time in a spirit of partnership and a willingness to share in the exciting opportunities.

Consisting of keynote speakers, panel discussions and technical sessions, the 3-day conference focused on the opportunities for developing Israel's new oil and gas industry, including sessions on future potential, regulatory framework, investment outlook, technological innovations, and security and strategy.

Who attends UOG events?

Universal Oil & Gas brings together leading oil and gas industry professionals, experts, engineers/engineering management, legal, regulatory and governmental authorities including:

- Industry leaders who seek information and technologies for future operations
- Senior decision makers from international and regional operators
- Oil and gas operating companies
- Service and equipment supplies
- Legal, regulatory and governmental authorities, contractors and consultants

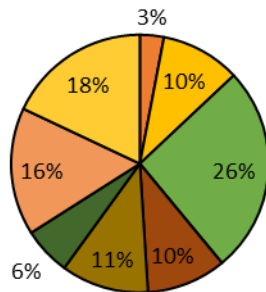
KEY STATISTICS

- 250+ Delegates
- 120+ Participating Companies
- 36% Executive Management Level or above
- Attendees from 26 Countries
- 11+ Hours Dedicated Networking Time
- 35 Speakers
- 1 Society of Petroleum Engineers Tel Aviv Section Induction Ceremony

"Israel has achieved almost a revolution in the energy sector, and now, Israel is on the way to becoming one of the main natural gas producers. At the conference someone said Israel used to be a country of Milk and Honey; now it's becoming an oil and gas country as well."

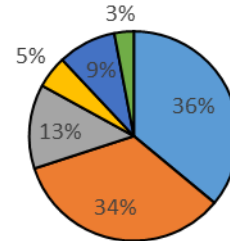
Chairman, Independent Oil & Gas Company

Organisation Type

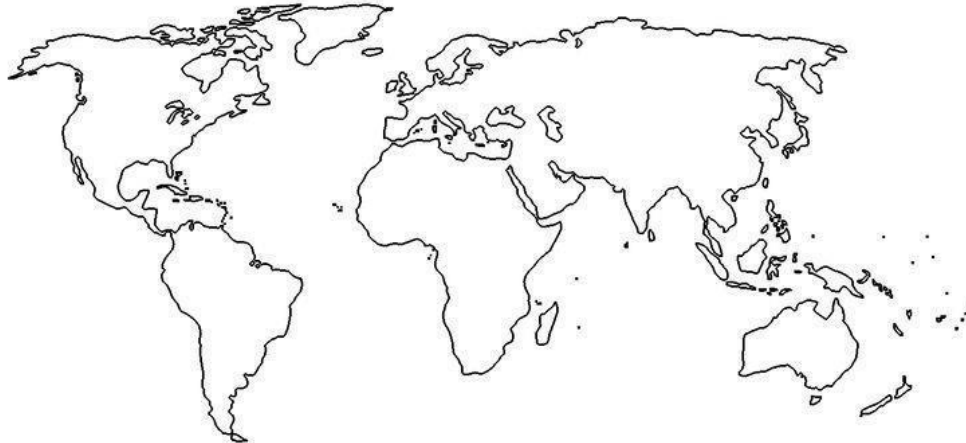


- Major Oil & Gas Company
- Independent Oil & Gas Company
- Oil & Gas Consulting Company
- EPC Main Contractor
- Supply Company
- Equipment Manufacturing
- Service Company
- Government Agency/Trade Association

Primary Job Function



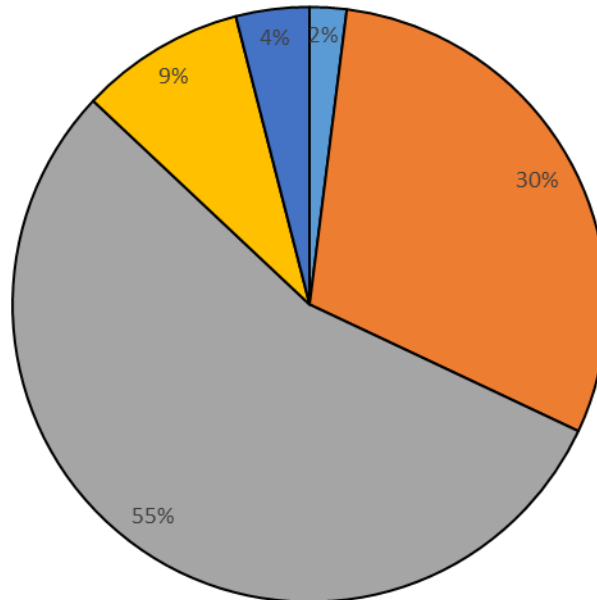
- Executive Management (CEO/Owner/Managing Director/etc.)
- Management (Production Manager/Engineering Manager/Exploration Manager)
- Consulting
- Lawyer
- Engineering
- Geology / Geophysics



Participants came from:

- | | | |
|------------------|------------------|---------------------------|
| ■ Angola | ■ Argentina | ■ Canada |
| ■ Cyprus | ■ Czech Republic | ■ Denmark |
| ■ France | ■ Germany | ■ Guatemala |
| ■ Hungary | ■ Ireland | ■ Israel |
| ■ Italy | ■ Mexico | ■ Netherlands |
| ■ Nigeria | ■ Norway | ■ Palestinian Territories |
| ■ Romania | ■ Russia | ■ Rwanda |
| ■ Sweden | ■ Switzerland | ■ Turkey |
| ■ United Kingdom | ■ United States | |

Represented Regions



■ Africa
 ■ Europe
 ■ Middle East and Asia
 ■ North America
 ■ South and Central America

"This conference has been a fantastic experience for me. I have confirmed a lot of the research about Israel here and it has brought light onto a lot of the data and context in oil and gas."

CFO, Major Oil & Gas Company

"The reason for this conference is to expand the potential players in the Israeli market. Coming from Houston, the energy capital of the world and having the expertise come to Israel is really what Israel needs. They need people from around the world who have that expertise and are willing to bring it here to help expand the industry."

Partner, Leading Global Law Firm

Speakers, attendees and exhibitors were from the following companies:

<i>Afek Oil and Gas</i>	<i>Israel Africa Business Ltd.</i>
<i>Agmon & co. Rosenberg Hacoheh & Co.</i>	<i>Israel Defense Forces</i>
<i>American Aviation Ltd.</i>	<i>Israel Ministry of Infrastructures, Energy and Water Resources</i>
<i>Amsterdam & Partners LLP</i>	<i>Israel Opportunity</i>
<i>ARI Flow Control Accessories Ltd.</i>	<i>Israel Tax Authority</i>
<i>Arrow Control Cables</i>	<i>Israel Association of Oil & Gas</i>
<i>Atlantis-Nautilus International LLC</i>	<i>Israel Ministry of Economy</i>
<i>Avcincis</i>	<i>Koron</i>
<i>Avner Oil</i>	<i>Krief Albaros Ltd.</i>
<i>Axiom Capital Ltd.</i>	<i>Lapp Group</i>
<i>Baker Hughes</i>	<i>Light, Energy and Sun, Ltd,</i>
<i>BHYH Investment Group</i>	<i>Linde AG/Linde Engineering</i>
<i>Bipol Energy Ltd.</i>	<i>Linklaters</i>
<i>BP</i>	<i>Lloyd's Register</i>
<i>BMO Nesbitt Burns</i>	<i>Lloyd's Register, EMEA</i>
<i>Bracewell & Giuliani</i>	<i>Maersk Drilling</i>
<i>Carmel International Shipping Services Ltd.</i>	<i>Manufacturer's Association of Israel</i>
<i>Dafora Group, SA</i>	<i>McGuire Woods LLP</i>
<i>Danish Ministry of Higher Education & Science</i>	<i>Middle East Information Exchange</i>
<i>Delek Drilling</i>	<i>Modiin Energy</i>
<i>DST, A/S</i>	<i>MWI</i>
<i>Dynamium SA</i>	<i>Nalco Champion</i>
<i>Edison International spa</i>	<i>Netherlands Embassy, Tel Aviv</i>
<i>Embassy of Angola</i>	<i>Noble Energy</i>
<i>Embassy of Denmark</i>	<i>Noble Group</i>
<i>Embassy of Nigeria</i>	<i>Office of the Quartet Representative, Tony Blair</i>
<i>Embassy of Sweden</i>	<i>Oil Refineries, Ltd.</i>
<i>EMCO Marine Ltd.</i>	<i>PADICO Holding</i>
<i>Endeavour Search & Selection Ltd</i>	<i>PEPCo Israel Ltd.</i>
<i>Enerji IQ</i>	<i>Qnergy</i>
<i>ERM</i>	<i>Railroad Commission of Texas</i>
<i>Expro North Sea Ltd.</i>	<i>Real Safety</i>
<i>Filtersafe Ltd.</i>	<i>Rigzone</i>
<i>Franco Energy Consulting</i>	<i>RiT Technologies</i>
<i>Freshfields Israel Focus Group</i>	<i>Schlumberger</i>
<i>GE Oil & Gas</i>	<i>Schmidt Research Partners Ltd.</i>
<i>Genie</i>	<i>Shenhav Konforti Shavit & Co.</i>
<i>Geological Survey of Denmark and Greenland</i>	<i>Society of Petroleum Engineers, Tel Aviv</i>
<i>GEP-AFTP</i>	<i>Strategy Engineering and Consulting</i>
<i>GES</i>	<i>Swedish Embassy, Tel Aviv</i>
<i>Global Resource Partnership</i>	<i>Synergy Cables, Ltd.</i>
<i>Glove Exploration Partnership YCD</i>	<i>SystemTeknik A/S</i>
<i>Globes</i>	<i>Tamuz Group</i>
<i>Griffith College Dublin</i>	<i>Technip</i>
<i>Halliburton</i>	<i>Teldor Cables & Systems</i>
<i>Hauge Shipping & Oil AS</i>	<i>Texas-Israel Chamber of Commerce</i>
<i>Hebrew Energy</i>	<i>Tiger Rentals</i>
<i>Herzog Fox and Neeman LLP</i>	<i>Vinson and Elkins LLP</i>
<i>HI Immigration Law Offices</i>	<i>Walworth</i>
<i>Hungarian Embassy</i>	<i>Wood Group</i>
<i>IHS</i>	
<i>International Process Controls Ltd.</i>	
<i>Invest Globe & Associates</i>	

Overview of Conference Topics

The Conference Programme featured industry experts covering topics unique to Israel:

- Future of Oil & Gas in Israel and the East Mediterranean
- Role of International Companies in Developing the Israeli Market
- Current Market: Upstream & Midstream
- Building Capabilities to Meet Oil & Gas Challenges
- Recent Exploration & Development in Israel
- Maximising Unconventional Resources
- Israel's Oil & Gas Prospects: The Opportunities
- Investment Outlook: Financial resources required & maximizing investment
- Petroleum Regulations: Taxation, Upstream Licensing & other Legal Issues



The Opening Ceremony and Keynote was held from 9:30AM to 10:30AM and was open to all.

Opening Ceremony and Keynotes

- **Michael Beagelman**, Chief Executive Officer, Universal Oil & Gas
- **Dr. Harold Vinegar**, Former Chief Scientist of Shell, Chief Scientist, Genie Oil & Gas, IEI, Afek Israel Oil & Gas – OFFICIAL UOG 2014 CHAIR
- **Uri Aldubi**, **Chairman**, Association of Oil & Gas Exploration Industries in Israel

Michael Beagelman, Chief Executive Officer, Universal Oil & Gas officially welcomed delegates to UOG 2014.

The opening keynote featured the Chair of UOG 2014, Dr. Harold Vinegar (Former Chief Scientist of Shell, Chief Scientist, Genie Oil & Gas), providing an insightful overview of the history of oil and gas in Israel and introducing a new technology which could potentially exploit Israel's vast onshore oil reserves. Uri Aldubi, Chairman of the Association of Oil & Gas Exploration Industries in Israel, followed with some opening welcome words.



Michael Beagelman



Dr. Harold Vinegar



Uri Aldubi



DAY 1, SESSION 1

The Current Market in Israel

Overview of current projects, upstream, midstream, maximising unconventional resources.

Session Moderator, **Peter Britze**, Head of Department, Department of Reservoir Geology, Geological Survey of Denmark and Greenland

Speakers:

- **Dr. Michael Gardosh**, Head of Geology & Geophysics, Israel Ministry of National Infrastructures, Energy, and Water
- **Dr. Yuval Bartov**, Chief Geologist, Genie Oil & Gas
- **Gal Hershkovich**, Former Head of Budgets, Israeli Ministry of Finance

Gal Hershkovich highlighted the opportunities for business in the current Israeli market, such as by applying for new or expired exploration licenses, purchasing current licenses, and purchasing and developing proven discoveries Karish and Tanin. There are also possibilities to build underwater pipelines to export the natural gas to Israel, Egypt, Turkey and Cyprus, which would then go on to other parts of Europe. Dr. Michael Gardosh highlighted Israel's long history drilling many wells with results revealing the existence of various known and speculated Petroleum Systems, mostly underexplored. Dr. Yuval Bartov, presented on newfound statistics and findings from his company's oil exploration activities in the Golan Heights, Northern Israel.

Peter Britze led a fascinating discussion with the speakers and the audience following the presentations.



DAY 1, SESSION 2

The Role of International Companies in Developing the Israeli Market

Where do recent discoveries fit within the global market? Bringing in the players, expanding opportunities, partnerships and alliances.

Session Moderator, **David Ronn**, Partner, McGuire Woods LLP

Speakers:

- **Binyamin Zomer**, Israel Country Manager, Noble Energy
- **Mehmet Ögütçü**, Chairman, Global Resources Partnership (UK), Board Member of Genel Energy plc, Former Global Director, BG Group
- **Matthias Meister**, Product Development Manager, Baker Hughes, SPE Regional Director for South, Central and East Europe
- **Gheorghe Calburean**, CEO, Dafora Group

A variety of long-term and short-term opportunities exist in the Israeli market. Local players are interested in business cooperation on the basis of joint venture partnerships, project finance, and supply chains. Opportunities exist for foreign companies willing to assist in exploration efforts as service providers and as strategic partners.

Mehmet Ögütçü discussed how Israel should position itself in relation to the parameters of energy, investment and geopolitics. He also looked at inter-regional gas export competition with the Asia-Pacific, Caspian and other major gas markets. Binyamin Zomer focused on Noble Energy's financial analysis of recent gas discoveries and projected Israeli State benefits. A lively discussion followed.



DAY 1, SESSION 3

Oil & Gas Developments in Israel

Building capabilities to meet oil & gas challenges in Israel.

Session Moderator, **Emre Erturk**, Executive Editor, Enerji IQ

Speakers:

- **Constantine Blyuz**, Deputy Director, Natural Gas Authority, Israel Ministry of Infrastructures, Energy and Water Resources
- **Avri Shefler**, CEO, Bipol Energy Ltd
- **Gina Cohen**, Expert Consultant, Natural Gas Industry
- **Kul Karcz**, VP Exploration, Delek Drilling & Avner Oil

Opportunities, developments, infrastructure and challenges in the Israel oil and gas market. A challenge facing Israel to export natural gas involves the choice between the types of infrastructure to be installed. Israel plans to export gas by pipeline and potentially through floating LNG production plants. A favoured option is to build a sub-sea pipeline. Israel also aims to ship LNG to markets through a floating plant in the Leviathan field.

Gina Cohen gave an expert analysis of Israel's gas export options and challenges putting in context the global gas market. Constantine Blyuz focused on the local gas market including Israel's transmission system and future downstream development with regard to the government's position.



DAY 2, SESSION 4

Petroleum Regulations

Overview of the Israel's Oil & Gas Legal, Tax & Regulatory Framework

Session Moderator, Robert Amsterdam, Founding Partner, Amsterdam & Partners LLP

Guest Panelist, **Gal Hershkovich**, Former Head of Budgets, Israeli Ministry of Finance

Speakers:

- **Michal Franco**, Regulatory Consultant, Gas Industry
- **Dr. Ruth Dagan**, Partner, Herzog, Fox & Neeman
- **Tzvika Nemeth**, Partner, Agmon & Co. Rosenberg Hachohen & Co.

Navigating government regulatory uncertainty: The "Petroleum Law" defines the legal and regulatory framework for exploration and production activities. The Petroleum Commission is empowered to grant licenses for exploration for development and production of oil and natural gas. The law pertains to both onshore and offshore activities. The Natural Gas Law enacted empowers different licensing obligations for many activities relating to the natural gas industry, including transmission and distribution, setting up operation of LNG installation, and setting up and operation of storage facilities.

Discussion covered current laws, circumstances and new decisions.

This session gave an introduction to the legal, regulatory and fiscal framework of Israel's oil and gas industry, how it has evolved over the last 50 years, and how it is likely to change in the years ahead as the industry develops and more discoveries occur.



DAY 2, SESSION 5

Executive Panel Discussion & Investment Outlook

Projected global impact on Israel's energy resources: financial resources, project finance, maximizing investment opportunities.

Session Moderator, **Robert Rakison**, Partner, McGuireWoods LLP

Speakers:

- **Dan Hacoheh**, Senior Partner, Agmon & Co. Rosenberg Hacoheh & Co
- **Uri Aldubi**, Chairman, Association of Oil & Gas Exploration Industries in Israel
- **Joseph Paritzky**, Former Israel Minister of Energy & National Infrastructure
- **Ben-Zion Bliberg**, Director, Modiin Energy

Dan Hacoheh discussed domestic and export gas sales, highlighting how between 2012 and 2014 alone, over 26 gas sale agreements were signed for sales from the Tamar reservoir of about 180 BCM. These were domestic Israeli sales. Three letters of intent have also been signed between Israel and Egypt, and Israel and Jordan. Hacoheh also looked at project finance, for example in December 2011 'US\$500 million bridge financing by Delek and Avner for the development of the Leviathan project'. Another example is in May 2014 a 'US\$2 billion 144A global bond' offering by Delek and Avner to refinance their share in the Tamar project financing. The dynamic panel also discussed and debated how oil and gas regulations are going to change with respect to environmental protection, planning and zoning.



DAY 2, SESSION 6

The Future of Oil & Gas in Israel

Session Moderator, **Clare Freeman**, President and CEO, Texas-Israel Chamber of Commerce

Speakers:

- **Dr. Harold Vinegar**, Chief Scientist, Genie Oil & Gas
- **Matthew Hagopian**, Global Co-Head of Energy, Linklaters
- **Daniel Berkove**, Senior Associate, IHS

This session was opened by a video address by Texas Railroad Commissioner, Barry Smitherman, who is responsible for regulating the Texas oil and gas industry. Barry drew on lessons Israel can learn from Texas, one of the world's leading energy hubs.

Leviathan partners intend to invest an initial \$4.6 billion in the gas field's development, including potential construction of an FPSO ship for the domestic market and possible customers in Cyprus, Egypt, Jordan and Turkey. They also intend to invest \$10 billion in the coming years in developing the gas field, perhaps switching from the FPSO to a FLNG facility for exporting gas to Asia, exporting gas by pipeline and through FLNG production plants. A favoured option is to build a sub-sea pipeline to Europe.

Dr. Harold Vinegar also introduced groundbreaking new findings and cost analysis of his patented in-situ oil shale technology being tested onshore in the Shefela Basin, which could lead Israel to a future of oil production in vast quantities (~93 billion bbls). Matthew Hagopian analysed the future potential of FLNG in Israel whilst Daniel Berkove focused on local content, key to building a skilled workforce.



DAY 3, OPENING KEYNOTE

Keynote Presentation: Innovation needs best practices: Dutch experience and opportunities in natural gas

Speaker: His Excellency Mr. Caspar Veldkamp, Ambassador to Israel from the Netherlands

We were honoured to have His Excellency Caspar Veldkamp, the Ambassador of the Netherlands to Israel, open the day with a keynote speech. His Excellency discussed how Israel can learn from Dutch companies and the potential to build relationships between Dutch and Israeli companies in the natural gas sector.



DAY 3, SESSION 7

Keeping Up with Technology

Israel's innovative solutions for adapting its technology expertise to the oil & gas markets

Session Moderator, **Jacob Schmidt**, CEO, Schmidt Research Partners Ltd

Speakers:

- **Benjamin Thoma**, Marketing Director, Global Key Accounts, GE Oil & Gas
- **Dr. Serge Rueff Ph.D.**, Past Director, Society of Petroleum Engineers; Business Development Consultant, Atlantis-Nautilus
- **Peter Hoejlund Hviid**, International Sales Executive, Oil & Gas, SystemTeknik A/S (DK)
- **Gil Shaki**, Director, Oil & Gas, Chief Scientist's Office, Israel Ministry of Economy

Technology has had a profound effect in all aspects of the oil & gas industry, impacting the way companies explore, drill, produce, process and distribute oil and gas. Israel has been a pioneering force in global efforts to develop cutting-edge water technologies and innovation in water treatment and processing, monitoring and scaling, reclamation and desalination, and reducing water use and utilization of water resources for oil production, oil extraction and natural gas development.

Gil Shaki outlined the amount of R&D investment in Israel, and highlighted it as the world's technology hub with the highest number of patents per R&D employee in the world at 2.4% (the second highest is Japan with 1.7%). Peter Hoejlund Hviid looked at the increasing importance of 'topside applications' in the oil and gas industry, and how they can be improved by adding dynamic optimization. For example, topside applications are fast at reacting to all changes, which is essential for this fast-paced industry. Benjamin Thoma looked at how the oil and gas industry has a number of unique characteristics, such as government involvement, product specific development, cyclicity of input prices, customer specifics, and industry structure. He also addressed the audience with the industry fundamentals of subsea systems which would play a key role in Israel's oil and gas industry.



DAY 3, SESSION 8

Israel Oil & Gas Security and Strategy

Protecting oil & gas assets from physical and cyber-attacks, regional security strategy (Cyprus, Jordan, Lebanon, Turkey, Egypt)

Session Moderator, **Geoffrey Ben-Nathan**, Middle East Expert, Press TV

Speakers:

- **Vice Admiral (Ret.) Eliezer Marum**, Former Chief of Navy, Israel Defense Forces
- **Ariel Ezrahi**, Energy Advisor, Office of the Quartet Representative Tony Blair
- **Amir Foster**, Natural Gas Industry Expert, Foster Consultancy Group

Protecting the oil & gas industry and assets from physical and cyber-attacks is a rising security priority. Are Israel's offshore natural gas facilities vulnerable to attacks? Proposals to the Israel Security Cabinet include protecting Israel's exclusive economic zone (EEZ), procurement of equipment. Discussion included best practices, data security and privacy, security trends and innovation, processes used to administer cybersecurity challenges, and implementing critical cybersecurity defences.

Amir Foster discussed how natural gas can act as a regional stabilising factor. Ariel Ezrahi looked at the Palestinian Dimension of the Regional Energy Landscape, with focus on the energy sector in the 'Initiative for the Palestinian Economy' (IPE), which is 'designed to bring about lasting change and substantial growth in the Palestinian economy, together with significant job creation'. Ariel outlined the opportunities in the Palestinian Territories, for example further development of the Gaza Marine field. Eliezer Marum focused on ways in which Israel is protecting its offshore assets. An interesting discussion with the delegates ensued.



SPE Tel Aviv Section Induction Ceremony



SOCIETY OF PETROLEUM ENGINEERS (SPE) INDUCTION CEREMONY

Day 2 of UOG 2014 finished with The Official Launch of the SPE Tel Aviv Section. The Section was presented a certificate of membership by **Matthias Meister**, SPE Regional Director for South Central and East Europe, Product Development Manager, Baker Hughes, Inc. The certificate was accepted by SPE Tel Aviv Board Members Yehoshua Fishler (Chairperson), Aviad Levinter (Membership Chairperson) and Nisim Shushan (Treasurer).

The SPE Tel Aviv Section is a voluntary group aimed at bringing together professionals currently working in the Israeli Oil and Gas Industry.

The goal of SPE Tel Aviv is to provide a platform for cooperation, networking and the exchange of knowledge, between its members, all aspects of the Oil and Gas Industry and the international SPE community. SPE has over 124,000 members worldwide.

The ceremony was followed by a lively networking reception in the Exhibit Hall, where conversation and Israeli wine were both flowing and international partnerships were made.



Partners

Supporting Organisations



EMBASSY OF DENMARK

THE TRADE COUNCIL • EKSPORTRÅDET



Ministry of Higher Education
and Science

Supporting Companies



Exhibitors



Contact Information

Universal Oil & Gas are pleased to announce UOG 2015, the 2nd Annual International Oil & Gas Conference and Exhibition in Israel which will take place in Tel Aviv next November 2015. More details to be announced early next year.

For sponsorship and partnership enquiries please contact:

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