

Landau introduces Albertans to Israeli oil prospects

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Israel is sitting on mammoth reserves of natural gas, and shale deposits, so where would a government minister charged with overseeing their exploitation go on a visit to Canada?

Alberta, of course – the centre of the Canadian petroleum industry.

Last week, Uzi Landau, Israel's soft-spoken minister of energy and water resources, met with Alberta Premier Alison Redford, as well as business leaders, investors and members of the province's oil and gas community during a one-day stop in the province.

The meetings were informational in nature, Landau explained during an informal press briefing in Toronto. "People in Alberta are generally not familiar with Israel's economic situation, including its tax and royalty structure, its assets in "human capital," its status as a hi-tech innovator, its leading academic institutions, its prudent banking institutions, which successfully weathered the worst of the 2008 global downturn, he said.

Of course, his Alberta audience was particularly interested in Israel's involvement in the petroleum industry, and there was plenty to tell, he continued.

One Canadian-based exploration company, Adira Energy, which is listed on the TSX Venture Exchange, is set



Uzi Landau, Israel's minister of energy and water resources, left, with Alberta Premier Alison Redford, centre, and Miriam Ziv, Israel's ambassador to Canada [Deborah Yedlin photo]

to begin drilling offshore in 2013, he said.

According to Adira's website, the company has obtained petroleum licenses for three blocks in Israel's offshore exclusive economic zone: the Gabriella licence covering 97,000 acres, the Yitzhak licence covering 31,555

acres and the Samuel licence covering 89,205 acres.

The Gabriella block is estimated to hold 110 million barrels of oil, while Yitzhak has 79 million barrels and Samuel 66 million barrels.

In addition to the oil, the area holds vast amounts of natural gas. The U.S. Geological Survey estimates there are 122 trillion cubic feet of natural gas in the Levant basin, and Israel can claim 40 per cent.

At present, Israel imports 99 per cent of the oil it consumes, mostly from Azerbaijan, but from other sources as well.

Landau, who represents the Yisrael Beiteinu party in the Knesset, agreed the natural resource finds are "a game changer" for Israel. They mean Israel will be less dependent on outside sources for its fuel, he said.

Development of cheap energy will boost the country's economy. Israeli industries will become more competitive and energy-intensive products will become cheaper.

The environmental impact is positive, as natural gas is cleaner than other fuel sources, he continued.

Exploitation of the resource will "contribute to Israel's geopolitical situation," he said. It should boost trade with Jordan and the Palestinians, increasing contact and "leading to a routine of coexistence" and peace.

Cheap energy reduces the cost of desalinating water, producing electricity and purifying water, he added.

Landau suggested there may be other repercussions as well: it could draw Israel closer to Europe, as Israel and Cyprus are discussing the feasibility of an underwater cable to bring electricity to that Mediterranean island nation. For its part, Cyprus is considering another cable northward, meaning Israel will have one more link with Europe, Landau suggested.

In his meeting with Redford, Landau said he advocated continued development of ties between the two jurisdictions in areas of scientific and academic co-operation.

As for the involvement of Alberta's private sector, he said Israel is open to partnerships and investment.

"Government can open the door," he said. "We're not going to replace business from doing business."