

## ISRAEL



Potential: Adira and others are poised to give Israel its most active offshore drilling season in years  
Photo: AP/SCANPIX

# Adira gearing up to drill three new wells next year

Explorer **set to issue tender** for **drilling rig** to work on its **Gabriella** and **Yitzhak** prospects

**TOM DARIN LISKEY**  
Houston

ISRAELI-focused explorer Adira Energy expects to issue a tender soon to lock down a drilling rig for its exploration campaign in the Gabriella and Yitzhak contracts beginning in 2012.

Overall, the company plans to drill one well in each of its three offshore licences, including a wildcat in the Samuel area.

"Follow-on exploration wells may occur subsequently," said Adira chief executive Hezi Kugler.

Preparation for the offshore campaign is already under way.

Authority for expenditures and workscopes for the long-lead items for Gabriella and Yitzhak are being worked on.

Work orders are expected to go out by the end of November or mid-December, according to Kugler.

Israel does not have a well-developed oilfield sector like its Arab neighbours, so operators typically have to hoard long-lead items such as casing and other oilfield tools and equipment ahead of drilling.

Kugler said the company will spend the first well in the Yitzhak licence before the end of 2012, or early 2013 at the latest. Drilling at Gabriella will follow. The wells will

be drilled to investigate objectives in Jurassic age carbonates, it is understood.

While oil is the primary goal, a Gustavson resource report indicates that there could be up to 3.5 trillion cubic feet of natural gas in Gabriella and close to 1 Tcf in Yitzhak.

"Natural gas (accumulations) are also serious targets for us in those licences, though oil remains the central (objective)," Kugler said.

Meanwhile, in the Samuel area, where Aris Geophysical recently shot a 43 square kilometre 3D seismic survey, processing of the data is under way. Results should be available early in 2012.

That will be followed by a Samuel resource report, which will be ready in the early part of 2012, said Kugler.

"A decision on exploration will be taken on the basis of the company's internal interpretation," added the Adira Energy executive.

Fellow Canadian explorer GeoGlobal Resources, which is leading exploration efforts in the Myra and Sarah leases, is a partner in Samuel. If the partners do decide to drill a well in Samuel before the end of 2012, a possible target is

Cretaceous-age reservoirs. Operators such as Adira Energy, GeoGlobal Resources and Noble Energy, among others, are poised to give Israel one of its most active offshore drilling seasons in recent years.

After a string of recent gas finds — some of the largest in the industry in the past decade — exploration efforts will partially focus on assessing the basin's oil potential.

With activity rising in one of global exploration & production's most complex geopolitical plays, Israel has been working on new regulations to ensure that the local market is supplied with some of the oil and gas that explorers such as Adira Energy are finding offshore.

"There will be enough local offshore sources of natural gas to supply the country's long-term needs and the main focus will be how to off-take the gas in the country," Kugler said.

Israel currently imports almost 100% of its oil.

"Adira's prospects once proven will be attractive for the local market, which is already prepared from the perspective of existing infrastructure to off-take oil, he added.

## Operator building up financial firepower

### LEVANT BASIN CAMPAIGN

#### Aim to explore offshore hydrocarbon potential

ADIRA Energy is building up the financial firepower it needs to tackle an aggressive offshore drilling campaign in the Levant basin beginning in 2012.

Speaking in an interview with Upstream, Adira chief executive Hezi Kugler said the process could include farming out interest in its offshore Israeli portfolio ahead of a multi-well well campaign to explore hydrocarbon potential in the Levant basin.

A "partnership" could be at the corporate or licence level, he said.

The company did not reveal the names of the investment banks it is working with, but did confirm they are located in North America and Israel.

Given heightened investor interest in Israel, one of the region's strongest economies, the Adira Energy executive did say, however, that a key part to the equity process includes a listing on the Tel-Aviv Stock Exchange in the first half of

2012. "That will support continued financing of our programmes," said Kugler.

Adira Energy, founded by Alan Friedman in 2006 to look for resource assets in emerging markets, is preparing for a call for bids for a jack-up or drillship to drill in its three offshore contract areas in the eastern Mediterranean.

"We're in touch ... with rig owners for 2012 drilling," said Kugler.

Based in Canada, Adira Energy started off in Israel with a toe-hold onshore in the northern Israeli Eitan block. The company is currently in the process of evaluating coal samples that it cored from the exploratory drilling it completed the end of July.

"Once the results are in ... we'll decide on the next step," he said.

The company turned to the offshore in early 2009 in the wake of Noble Energy's recent large offshore discoveries.



Adira Energy's offshore holding covers over 200,000 acres close to the country's shoreline.

They are the Gabriella and Yitzhak contracts, both of which were acquired in 2009, and the Samuel licence, which the company picked up in 2010.

**TUBE-MAC INDUSTRIES:**  
A Global Supplier of  
Non-Welded Piping Systems

**BENEFITS of a  
TMI Non-Welded Piping System versus Welded System**

- Actual flaring or swaging time in "seconds" vs. "hours" for a welded joint.
- No special skilled labour required vs. qualified welder.
- No special hot work permits
- No fire watch personnel required.
- No leaks from stress fatigues in welds.
- No x-ray required vs. time and money to x-ray welds.
- No acid flush chemicals and neutralizers required.
- No environmental costs or issues regarding the disposal of chemical wastes.
- Commissioning is fast with reduced downtime.

**USA: +1.724.285.9243**  
**Canada: +1.905.643.8823**  
**Brasil: +55 (21) 7812.1882**

[www.tube-mac.com](http://www.tube-mac.com)