

February 14, 2013

Israel Opportunity – Energy Resources, Limited Partnership

Attention
Israel Securities Authority
22 KanfeiNesharim St
Jersualem 95464
Through the Electronic Full
Disclosure System

Attention
Tel Aviv Stock Exchange Ltd
54 AhadHa'am Street
Tel Aviv 65543
Through the Electronic Full
Disclosure System

Dear Sir/Madam,

Re: **Natural Gas Discovery in the Aphrodite 2 Drilling (The Drilling)**
In the Yishai/370 License (The License)

Following the immediate reports from January 2, 2013 (reference 2013-01-003531) and January 6, 2013 (reference 2013-01-004908) and according to the information provided to the partners in the license by its operator, AGR Petroleum Services Holdings AS (hereinafter: **The Operator**), the Partnership respectfully informs the following:

As said in the immediate report from January 2, 2013 significant signs of petroleum (natural gas) were found in the Drilling at the lower Miocene layers of sand. During the Drilling, the Operator performed electric and other measurements while drilling as well as tests regarding the composition of the natural gas, rocks and liquids in the reservoir. At the end of the drilling stage, various wire line logging tests were performed, which included electric, seismic, radioactive and magnetic testing. In addition the lithological cuttings and side wall cores were also tested for the composition and pressures of the gas and liquids found in the Drilling. The aforesaid tests allegedly show that the aforementioned layer contains natural gas.

After completing the Drilling, the findings were analyzed as were the results of the various test conducted during and after the Drilling (as of the date of this report the analysis has yet to be completed) in order to assess the size of the reservoir, quantity of the overall resources in the well and the quantities that can be economically produced in order to examine the commercial potential of the reservoir.

The Operator informed the Partnership that it has surveyed the details obtained during the Drilling and that the loggings performed during the Drilling show that a significant quantity of hydrocarbons that can potentially be moved appeared in the Drilling. According to the Operator's notice, the various logging tests performed through the wire line logs, pressure tests and samples of the Drilling, indicated moveable hydrocarbons. In this matter, the Operator noted that "significant" indicates that there is evidence of sufficiently significant quantities of petroleum in order to justify an assessment of the overall quantity of resources in the well and assessing the quantities that can be economically produced.

Following the Operator's notice as said, the Partnership believes that there is a discovery of natural gas, as defined in the PRMS-SPE, in the Drilling.

According to the instructions of the discovery directives regarding oil and gas explorations and production published by the Securities Authority (hereinafter: **Discovery Directives**) it is clarified that a "**discovery**" is defined in the PRMS-SPE as "**a single reservoir or number of reservoirs of petroleum that based on the production tests, samples and/or various logs, it has been established that there is a significant quantity of moveable hydrocarbons in that reservoir. In this regard "significant" indicates that there is evidence of a sufficiently significant quantity of petroleum in order to justify an assessment of the overall quantity of resources in the well and assessing the quantities that can be economically produced**". "In this regard 'discovery' as declared in the report does not constitute a 'discovery' in the matter of the Petroleum Act, but only a discovery approved by the Commissioner of Petroleum Affairs.

According to the provisions of the Discovery Directives, an immediate report about the assessment of resources will be published within 60 days from the date of this report.

Warning about future forecast information – the above assessments received from the Operator regarding the Drilling results and analyzing the findings thereof are considered future forecast information as defined in the Securities Law. The above assessments are based on information received while performing the Drilling, including the tests and analysis performed as aforesaid. At this stage, these are only assessments by the Operator and there is no certainty regarding them. The Partnership did not perform an independent examination of the assessments received as said. The above assessments are expected to be updated as further information is gathered, including after analyzing the findings of the Drilling is continued and/or performing the assessment drillings (if and when performed) and/or as a result of all the factors connected to the projects of exploration and production of natural gas.

The partners in the license and their holding rates are specified below:

Namax Oil and Gas Limited	42.5%
Frendum Investments Limited	33.5%
Israel Opportunity – Energy Resources, Limited Partnership	10%
Daden Investment Limited	9%
AGR Petroleum Services Holdings AS	5%

Respectfully,

Israel Opportunity – Oil and Gas Exploration Ltd
General partner in Israel Opportunity – Energy Resources, Limited Partnership
By Eyal Shuker, CEO