

ISRAEL OPPORTUNITY

ENERGY RESOURCES, LIMITED PARTNERSHIP



December, 2012

Disclaimer

This presentation was prepared by Israel Opportunity Energy Resources, Limited Partnership (the “Partnership”). It is not an offer to buy or sell securities of the Partnership, nor an invitation to receive such offers, and is designed, as aforesaid, for the provision of information only. The information used to make the presentation (the “Information”) is given for convenience purposes only and is neither a basis for the making of any investment decision, nor a recommendation nor an opinion, and is no substitute for the investor’s discretion.

Everything stated in this presentation with respect to an analysis of the Partnership’s business is merely a summary. To obtain a full picture of the Partnership’s business and the risks facing the Partnership, review the Partnership’s Periodical Report as of December 31, 2011, as filed with the Israeli Securities Authority through the Magna website. The Partnership does not warrant that the Information is either complete or accurate, nor will bear any liability for any damage and/or losses which may result from a use of the Information.

Recipients of this summary are not to construe the contents of this summary as legal, tax or investment advice of any type or nature whatsoever, and they should consult their own advisors in this regard.

This summary is provided to recipients for discussion purposes only, without any representation, warranty, undertaking or other liability of Israel Opportunity Energy Resources, LP with respect to the truthfulness or completeness of the Information contained herein.

Recipients should not rely on the Information contained herein for any purpose whatsoever, and Israel Opportunity Energy Resources, LP disclaims any, and shall have no, liability whatsoever in connection, directly or indirectly, in whole or in part, with the information contained herein.

This presentation may contain forward-looking statements and information.

The use of words such as “may”, “might”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “project”, “intend”, “future”, “potential” or “continued”, and other similar expressions are intended to identify forward-looking statements.

All of these forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, industry, strategy or actual results to differ materially from the forward-looking statement.

Any forward-looking statement speaks only as of its date. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

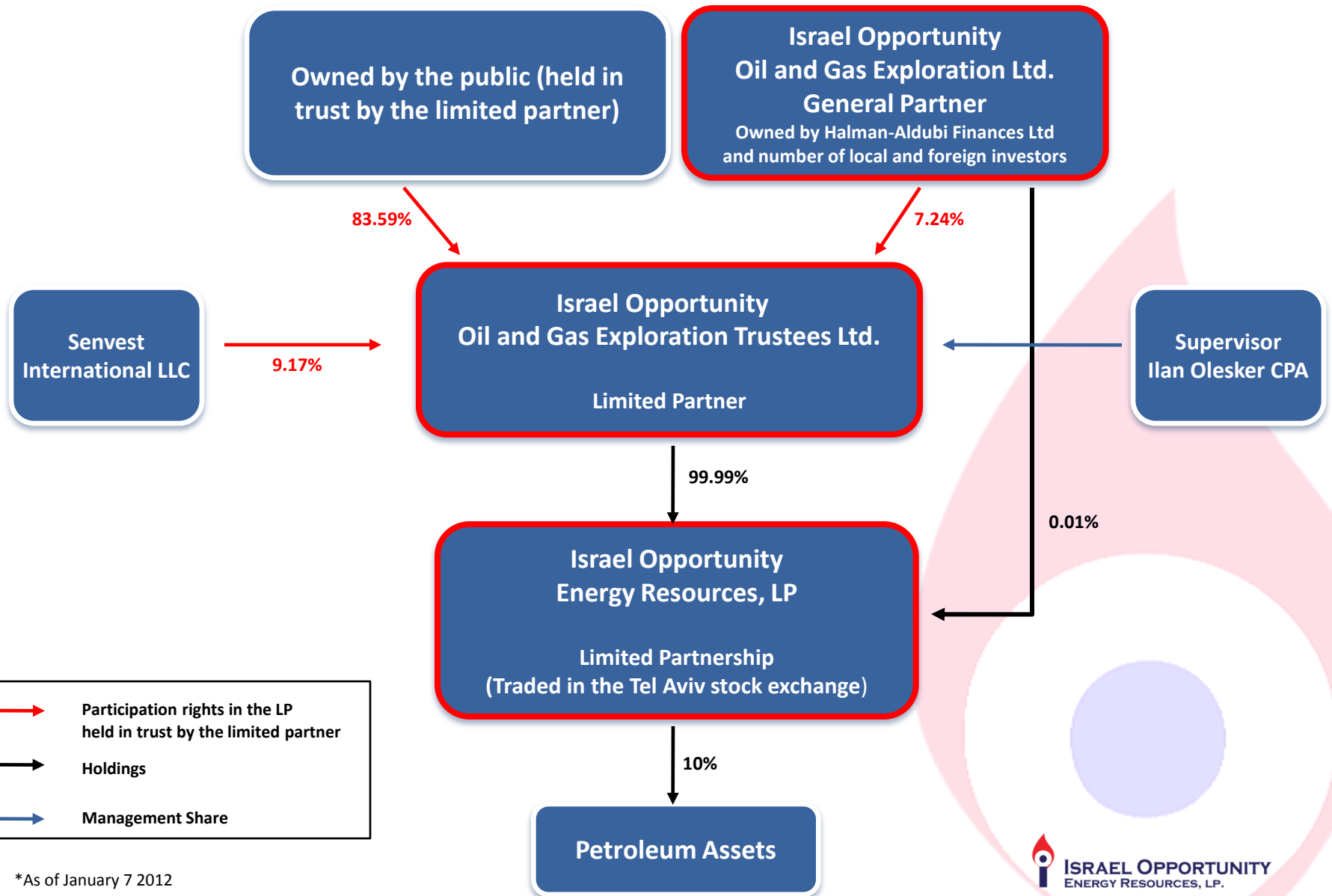
About Us

- 🔥 Israel Opportunity – Energy Resources, LP ("The Partnership") was founded in February 2010 and has been listed on the Tel-Aviv Stock Exchange since July 2010
- 🔥 The Partnership is managed by the General Partner: **Israel Opportunity Oil & Gas Exploration Ltd.**
- 🔥 The purpose of the limited partnership is to participate in the oil and/or gas explorations in the geographical regions that are defined or will be defined in the limited partnership agreement as to be updated from time to time
- 🔥 To date, the Partnership owns 10% of participation rights in a number of offshore oil rights in a total area of approximately 4 billion square kilometers
- 🔥 The selection of assets provides exposure to the inherent potential of Israel's deep waters while spreading the risks

Israel Opportunity – Strong Financial Stability

- 🔥 **Israel Opportunity - Energy Resources, Limited Partnership** is a limited partnership of oil and gas exploration, located in Israel
- 🔥 Since the IPO in July 2010, the **Israel Opportunity - Energy Resources, Limited Partnership** raised USD ~50 million
- 🔥 As of September 30th, 2012 the partnership has **USD 34.7 Million** in cash, deposits and securities, dedicate to its work program
- 🔥 **Israel Opportunity - Energy Resources, Limited Partnership** is fully funded to execute its current drilling program for the next 12 months

Holdings Structure Limited Partnership



*As of January 7 2012

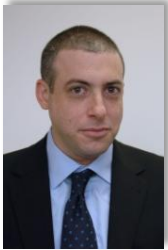
Management Team of the General Partner



Rony Halman
Chairman of Board



Uri Aldubi
Director
Chairman of The Association of
Oil & Gas Exploration
Industries in Israel



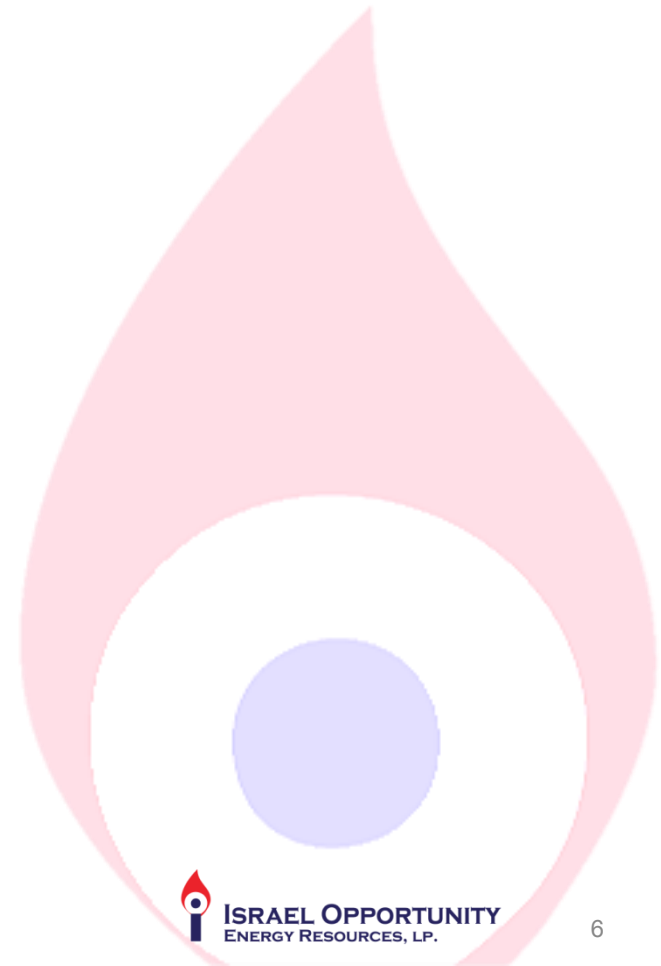
Eyal Shuker
CEO



Inbar Steiner
Legal Counsel



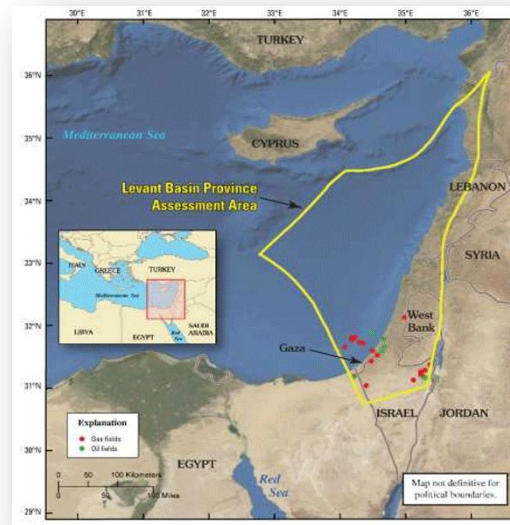
Sivan Weitzman
Financial Manager



Levant Basin Phenomena

Enormous Oil and Gas Potential

- 🔥 The Levant Basin is located in the eastern part of Mediterranean Sea between Cyprus and the Nile Delta
- 🔥 There is an estimated 122 trillion cubic feet of undiscovered, recoverable natural gas in the Levant Basin Province in the eastern Mediterranean region*
- 🔥 The Levant Basin Province holds an estimated 1.7 billion barrels of undiscovered, recoverable oil



*Source: U.S. Geological Survey, March 2010

Significant Discoveries in the Levant Basin

- 🔥 **“Tanin”** - Indications of hydrocarbons were reported
Estimated that there are **~1.2 TCF** of natural gas
- 🔥 **“Shimshon”** - Was discovered on August 2012
~0.55 TCF of natural gas
- 🔥 **“Aphrodite” Cyprus (Block 12)** - Was discovered on December 2011
~7 TCF of natural gas
- 🔥 **“Dolphin”** – Was discovered on December 2011
~0.1 TCF of natural gas
- 🔥 **“Leviathan”** - Was discovered on December 2010
~17 TCF of natural gas
- 🔥 **“Dalit”** - Was discovered on March 2009
~0.7 TCF of natural gas
- 🔥 **“Tamar”** - Was discovered on January 2009
~9.4 TCF of natural gas, **under development**
- 🔥 **“Yam Tetis”** - Was discovered in 1999
~1.1 TCF of natural gas (Shallow water – offshore Israel), **supplies gas to domestic market**

ISRAEL OPPORTUNITY PETROLEUM ASSETS OFFSHORE ISRAEL



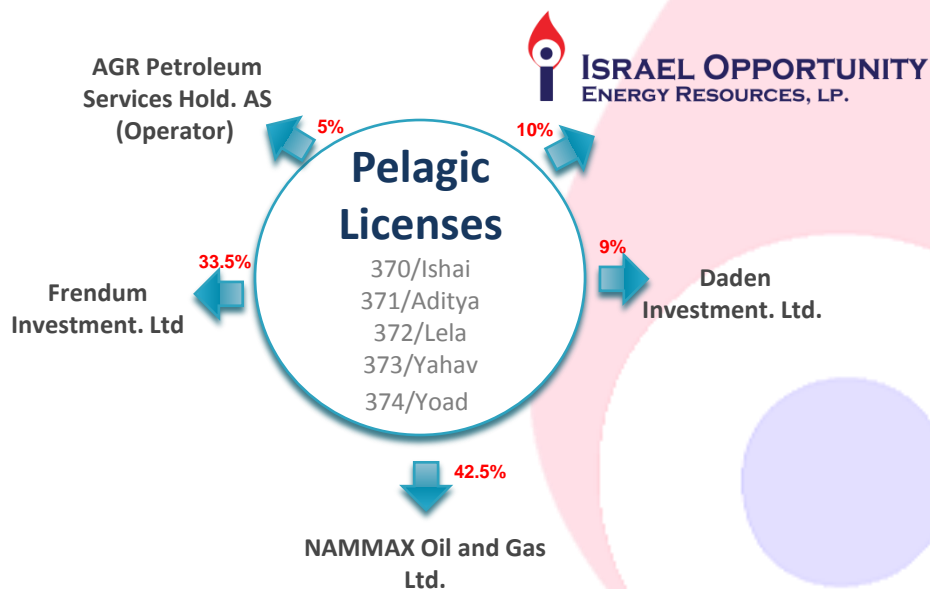
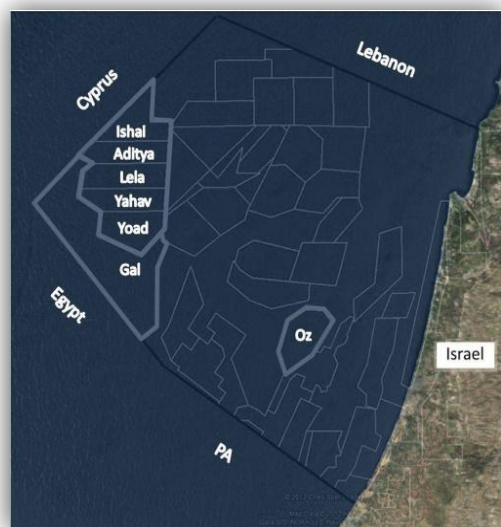
ISRAEL OPPORTUNITY
ENERGY RESOURCES, LP.



ISRAEL OPPORTUNITY
ENERGY RESOURCES, LP.

The LP Assets - Pelagic Licenses (2000 Km2)

Asset	370 / Ishai	371 / Aditya	372 / Lela	373 / Yahav	374 / Yoad
Date of purchase	06.09.2010	06.09.2010	06.09.2010	06.09.2010	06.09.2010
Area	400 Km2	400 Km2	400 Km2	400 Km2	400 Km2
Expected start of drilling	Spud date was in 02.11.2012	Until Sep. 2013	Until Sep. 2013	Until Sep. 2013	Until Sep. 2013



Resources Summary of the Pelagic Licenses

According to Ryder Scott Company LP., as of June 14th 2012 Pelagic licenses have unrisked resources of:

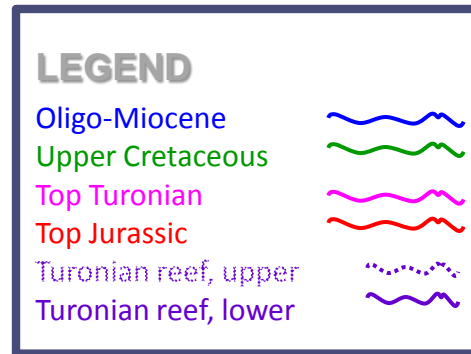
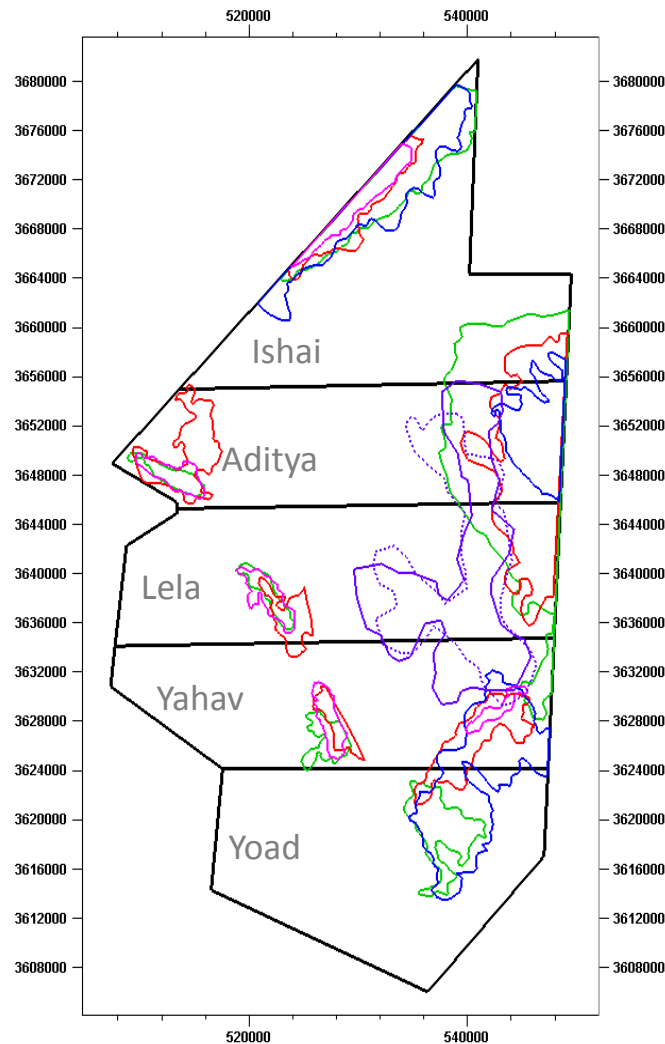
'Tamar Sands' - Miocene and Oligocene

- 🔥 **6.7** TCF of gas composed of **0.5** TCF of contingent resources and **6.2** TCF of prospective resources (Best estimate)
- 🔥 **19.3** million barrels of condensate composed of **1.6** contingent and **17.7** prospective resources (Best estimate)
- 🔥 The geologic probability of success at **28.5%** in the Yoad prospect, ranging up to **76.7%** in the Aphrodite prospect, which potentially has **3.7** TCF of natural gas (Best estimate)

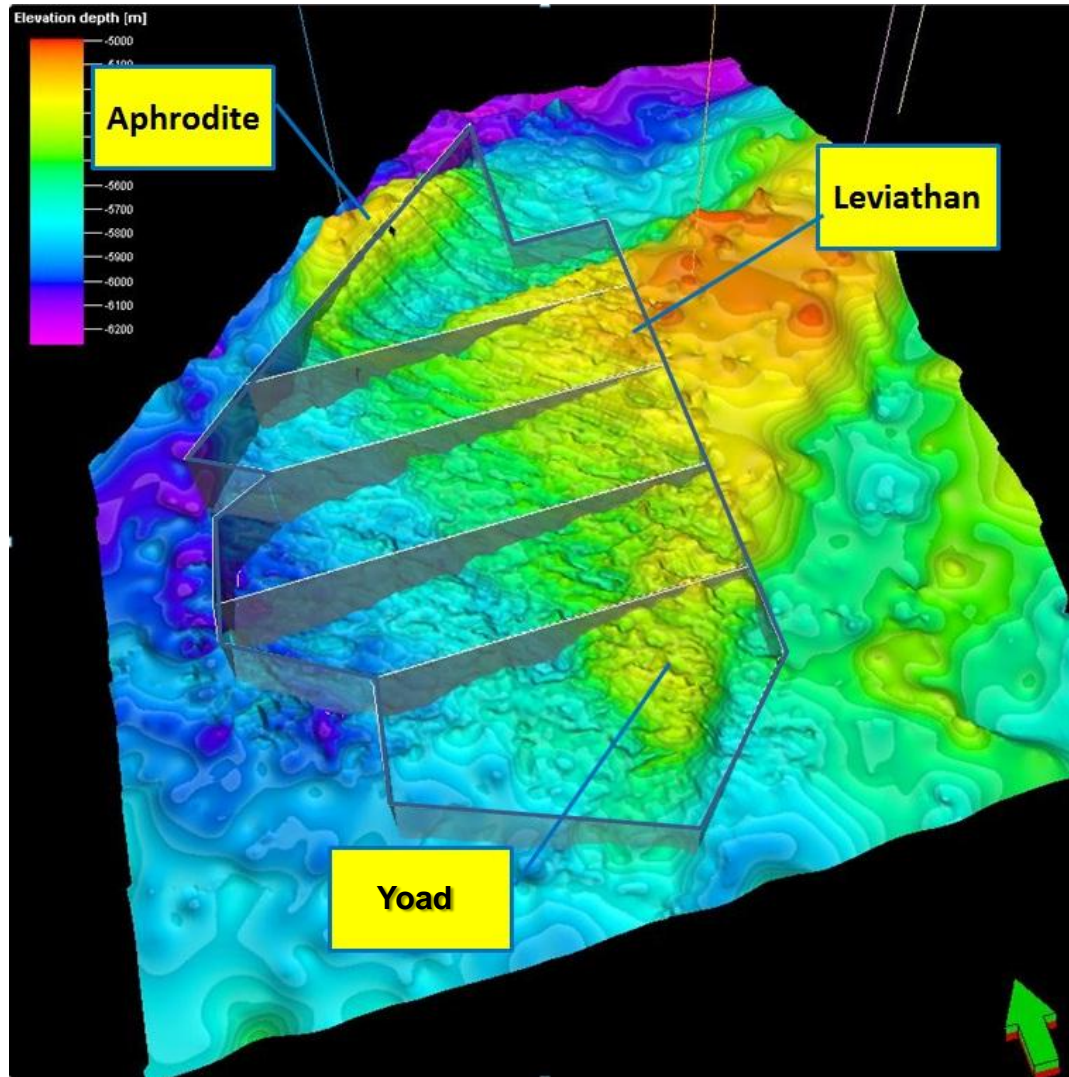
Deeper strata - Cretaceous, Turonian, Jurassic and Oligocene

- 🔥 Prospective resources of **2** billion barrels of oil & **3.5** TCF associated gas **OR** **19.3** TCF of natural gas & **500** million barrels of condensate oil (Best estimate)
- 🔥 The probability of success of recovering oil or gas from the deeper strata ranges from **5.3% to 12.3%**

Pelagic's Structures



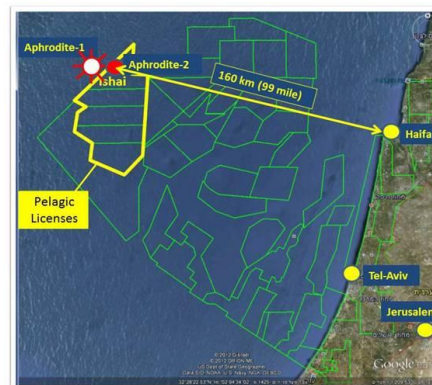
Regional View – Top Oligocene (Depth)



*Source: Anat Kedem /Dr. Yuval Ben Gai

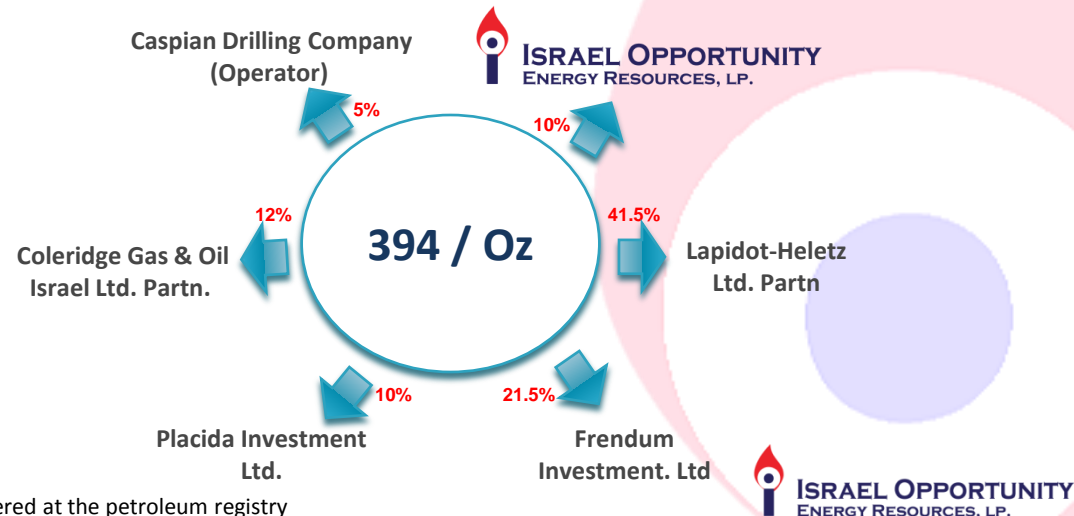
'Aphrodite 2' Drilling – Ishai License

- On November 2nd 2012 at 10:30am the drilling of 'Aphrodite 2' exploratory well began by 'Noble Homer Ferrington' Rig
- In December 2011, a natural gas reservoir was discovered in the 'Aphrodite' structure located in Cyprus and has an estimated **7 TCF** of natural gas
- According to Ryder Scott Company LP., 'Aphrodite' structure in the Ishai license territory holds a potential for finding **3.7 TCF** of natural gas
 - 3.6 TCF of Prospective resources
 - 0.1 TCF of Contingent resources
- Drilling is expected to cost approximately **USD 103** million
- Drilling is expected to reach to a depth of 6000m
- Target: Natural gas in the 'Tamar Sands'



The LP Assets - Oz License

Asset	Date of Purchase	Area	Expected Start of Drilling	Major Milestones
394 / Oz*	01.04.2012	400 Km2	Dec. 2013	<ul style="list-style-type: none"> Execution of three dimensional seismic survey in the prospect area was completed in July, 2012 Process and interpretation of survey data, preparation of comprehensive report regarding the license area and improvement of prospect will be completed by September 30th, 2012



*Not yet approved by the petroleum commissioner nor registered at the petroleum registry

The LP Assets – Gal Early Permit

Asset	Date of Purchase	Area	Major Milestones
202 / Gal Early Permit*	02.03.2010	1771 Km2	<ul style="list-style-type: none"> Request of two licenses ('Neta' and 'Royee') within this territory have been submitted to the petroleum commissioner and is waiting to be approved



The Early Permit 202/Gal expired on August 15th, 2011. Pending applications for two licenses (Neta & Royee) in the area have been submitted to the petroleum commissioner, in which Israel Opportunity obtained 10% of the participation rights

*Pending application for two licenses has not yet been approved by the petroleum commissioner nor registered in the petroleum registry

Other Activities

- 🔥 In 2010, Israel Opportunity, in a collaboration with the Federation of the Israeli Chambers of Commerce, established “The Association of Oil and Gas Exploration Industries in Israel”
- 🔥 Presently, Uri Aldubi serves as the Chairman of The Association of Oil & Gas Exploration Industries in Israel
- 🔥 The Association comprises of 17 companies active in the Israeli Oil and Gas industry that specialize in exploration and production of oil and gas



APPENDIX



Pelagic Resources Report by Ryder Scott

Report as of June 14th 2012

Unrisked Gross (100%) Contingent Gas Resources (in BCF) and Associated Condensate (in MMBC)

Field Area	Prospective Reservoir	Phase	2C	Chance of Success
Aphrodite Prospect	Miocene C	Gas	57	100%
		Cond.	0.2	100%
	Miocene D1	Gas	20	100%
		Cond.	0.2	100%
	Miocene D2	Gas	26	100%
		Cond.	0.1	100%
Field Area	Prospective Reservoir	Phase	2C	Chance of Success
Leviathan Prospect	Miocene	Gas	423	100%
		Cond.	1.2	100%

* Warning: Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

Pelagic Resources Report by Ryder Scott

Report as of June 14th 2012

Urisked Gross (100%) Undiscovered Prospective Gas Resources (in BCF) and Associated Condensate (in MMBC)

Field Area	Prospective Reservoir	Phase	Best Estimate	Chance of Success
Aphrodite Prospect	Miocene A	Gas	452	67.7%
		Cond.	1.3	67.7%
	Miocene C	Gas	1430	76.7%
		Cond.	4.1	76.7%
	Miocene D1	Gas	761	72.2%
		Cond.	2.2	72.2%
	Miocene D2	Gas	995	76.7%
		Cond.	2.8	76.7%
Field Area	Prospective Reservoir	Phase	Best Estimate	Chance of Success
Yoad Prospect	Miocene	Gas	938	28.5%
		Cond.	2.7	28.5%
	Oligocene	Gas	1594	30.9%
		Cond.	4.6	30.9%

* Warning: Prospective Resources are by definition undeveloped as they are potentially recoverable from undiscovered accumulation.

Pelagic Resources Report by Ryder Scott

Report as of June 14th 2012

Urisked Gross (100%) Undiscovered Prospective of the following alternatives:

- 🔥 **Oil case - Oil Resources and (in MMBO) and Associated Gas (in BCF)**
- 🔥 **Gas case – Gas resources (in BCF) and associated condensate (in MMBC)**

Field Area	Prospective Reservoir	Phase	Best Estimate Oil Case	Best Estimate Gas Case	Chance of Success
Aphrodite Prospect Area	Upper Cretaceous	Gas	115.6	1116	12.3%
		Cond.	198	29.2	12.3%
	Turonian	Gas	20.4	201	12.3%
		Cond.	37	5.4	12.3%
	Jurassic	Gas	21.8	231	12.3%
		Cond.	42	6	12.3%
Aditya Prospect Area	Oligocene	Gas	16.6	154	12.3%
		Cond.	27	4.1	12.3%
	Upper Cretaceous	Gas	7.5	70	12.3%
		Cond.	13	1.9	12.3%
	Turonian	Gas	15.7	157	12.3%
		Cond.	29	4.2	12.3%
	Jurassic	Gas	17.8	195	12.3%
		Cond.	35	5.1	12.3%
Lela Prospect Area	Upper Cretaceous	Gas	7.3	71	12.3%
		Cond.	13	1.9	12.3%
	Turonian	Gas	22.6	196	12.3%
		Cond.	41	5.2	12.3%
	Jurassic	Gas	21.9	239	12.3%
		Cond.	42	6.3	12.3%

*** Warning: Prospective Resources are by definition undeveloped as they are potentially recoverable from undiscovered accumulation.**

Pelagic Resources Report by Ryder Scott

Report as of June 14th 2012

Urisked Gross (100%) Undiscovered Prospective of the following alternatives:

- 🔥 **Oil case - Oil Resources and (in MMBO) and Associated Gas (in BCF)**
- 🔥 **Gas case – Gas resources (in BCF) and associated condensate (in MMBC)**

Field Area	Prospective Reservoir	Phase	Best Estimate Gas Case	Best Estimate Oil Case	Chance of Success
Leviathan Prospect	Upper Cretaceous	Gas	3,589	338.7	12.3%
		Cond.	93.7	579	12.3%
	Turonian	Gas	417	39.2	12.3%
		Cond.	10.9	67	12.3%
	Jurassic	Gas	1,575	153.8	12.3%
		Cond.	41.3	285	12.3%
Yahav Prospect Area	Oligocene	Gas	305	34.3	12.3%
		Cond.	8.2	54	12.3%
	Upper Cretaceous	Gas	87	8.9	12.3%
		Cond.	2.3	16	12.3%
	Turonian	Gas	138	13.9	12.3%
		Cond.	3.7	25	12.3%
	Jurassic	Gas	155	14.7	12.3%
		Cond.	4.1	29	12.3%

*** Warning: Prospective Resources are by definition undeveloped as they are potentially recoverable from undiscovered accumulation.**

Pelagic Resources Report by Ryder Scott

Report as of June 14th 2012

Unrisked Gross (100%) Undiscovered Prospective of the following alternatives:

- 🔥 **Oil case - Oil Resources and (in MMBO) and Associated Gas (in BCF)**
- 🔥 **Gas case – Gas resources (in BCF) and associated condensate (in MMBC)**

Field Area	Prospective Reservoir	Phase	Best Estimate Gas Case	Best Estimate Oil Case	Chance of Success
Yoad Prospect Area	Upper Cretaceous	Gas	159	17.3	12.3%
		Cond.	4.2	30	12.3%
	Turonian	Gas	79	8.2	12.3%
		Cond.	2.1	14	12.3%
	Jurassic	Gas	469	45.7	12.3%
		Cond.	12.2	85	12.3%
Turonian Reef Area	Upper Turonian	Gas	4,835	522.3	5.3%
		Cond.	125.5	916	5.3%
	Lower Turonian	Gas	4,851	522	5.3%
		Cond.	126.0	915	5.3%

*** Warning: Prospective Resources are by definition undeveloped as they are potentially recoverable from undiscovered accumulation.**

Thank You!

www.oilandgas.co.il

