

## DIRECTOR GENERAL Ministry of Energy

24 November 2019

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## To:

Mr. Chris Breeze, GM East Med of Shell International Exploration and Production B.V.

Mr. Keith Elliott, Senior Vice President, Offshore of Noble Energy, Inc.

Mr. Yossi Abu, CEO of Delek Drilling

Dear Sirs,

During the last decade, exploration efforts in the East Meditterenian basin has led to significant natural gas discoveries in Israel and Cyprus, including the Leviathan, Karish - Tanin, Tamar SW, Aphrodite-Yishai and Glaucus fields.

The State of Israel welcomes the rapid development of the region's natural gas resources, and the fostering of cooperation among governments, private companies and state-owned companies for the prosperity and welfare of the people in the region.

The Aphrodite-Yishai field is a cross-boundary natural gas reservoir, and as such, Israel and Cyprus have held several years of negotiations for the purpose of reaching a bilateral agreement regarding the exploitation of the Aphrodite-Yishai field. One of the options raised for consideration was the possibility of initiating direct negotiaton between the licencees of both countries, subject to approval by the two states.

However, up to this point, the two states have not concluded the necessary agreement that would facilitate the fair exploitation and development of the field, for the benefit of all the involved parties.

I wish to advise you that the State of Israel has not relinquished its share of the the Aphrodite-Yishai natural gas reservoir, and has no intention of doing so. I also wish to advise you of the position of the State of Israel that the development and exploitation of the



Aphrotdite-Yishai field by the licensees of both states must not commence prior to reaching an agreement between the governments of Israel and Cyprus.

Let me add that my office and professional team are available to assist all relevant parties in finding a way to expedite the development of Aphrodite-Yishai as soon as possible.

We anticipate your reply.

Sincercly,

Udi Adiri

Director General - Israeli Ministry of Energy

ce: Mr. Yossi Wurtzburger, the Petroleum Commissioner

Ms. Mor Halutz, Chief of staff of the Minister of Energy