

Announcement

Further to C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED ("the Company") announcement dated September 29th 2014 with respect to the submission of a joint application to the Petroleum Commissioner at the Ministry of National Infrastructures, Energy and Water of Israel ("the Commissioner") for a license of petroleum exploration and its production on land in the Halamish district in Israel, the Company would like to inform the investment Public that the Commissioner has awarded the Company and its partners with the Harurim license number 403 in this territory ("the License").

The area of the license is 94.2 square kilometers.

In the terms of the License it was determined as follows:

1. The License was awarded for the period between October 27th 2015 and up to October 26th 2018 for the performance of the work program attached to the License (as described below).
2. The License holders will operate in accordance with the law, including the provisions of the Israeli Petroleum Law - 1952 and the provisions of the Commissioner.
3. The License holders will act, with respect to planning issues, in accordance with the law, including the provisions of the Petroleum Act (Permit deviation from the provisions of the Planning and Construction Law),- 2012 and the provisions of the Planning and Building Law, 1965.
4. The License holders will act, with respect to safety issues, in accordance with the Work Safety Ordinance (New Version), 1970 and orders and regulations pursuant thereto and pursuant to the Work Inspection Organization, 1954 and the regulations pursuant thereto.
5. The License holders will comply with the professional and financial requirements according to the Petroleum Acts and the Commissioner's instructions.
6. The License holders will provide guarantees according to the Commissioner's instructions.
7. The License holders will submit application before drilling according to the Commissioner's instructions.
8. Failure to comply with the provisions of the law or the Commissioner's instructions is grounds for revocation of the License.
9. The License holders will act in accordance to security instructions determined by the IDF.
10. The award of the License does not obviate the requirement of any permit, authorization or license required under any law from any public or other authority and it does not obviate from obtaining regulation of all aspects required by law for any public or private body, including the regulation of all aspects of the planning and environmental requirements.
11. It was clarified that if a Discovery (as such term is defined in the Israeli Petroleum Law) will be made in the license territory the Commissioner may prescribe additional conditions to the License or lease.

During the terms of the License the License holders are required to perform the following work program:

Submission of a prospect of the re-entrance to the Halamish drilling	May 1, 2016
Publication of Resource Report	May 1, 2016
Submission of an application to the district committee for the Halamish drilling in accordance to the Petroleum Act	November 1, 2016
Submission of a drilling plan for the Halamish Drilling	November 1, 2016
Receiving the approval of the district committee	July 1, 2017
Submission of signed contract with a drilling contractor for the performance of the Halamish Drilling	September 1, 2017
Spud date for the Halamish Drilling	November 1, 2017
Preparing a summary report of the Drilling and delivery of its findings.	April 1 st 2018

The License holders are as follows:

Zerah Oil and Gas Explorations - Limited Partnership -28.75%, Ginko Oil Exploration - Limited Partnership -28.75%, Israeli Opportunity - Energy Resources - Limited Partnership -25%, Dr. E. Rosenberg & Co. Company Ltd. – 2.5%, Ashtrom Group Ltd -10%, the Company – 5%