

# Assessment of Israeli E&P supplier opportunities

# Key segments of the E&P supply chain: a critical analysis (1/3)

Segments	Rationale	Recommendation
Seismic services (Acquisition)	<ul style="list-style-type: none"> <li>Acquisition is fractured, diversified market</li> <li>Israeli companies lack extensive experience</li> <li>Great competition on price</li> <li>Given Israel's offshore activity, not much possibility to obtain more experience</li> </ul>	
Seismic services (Interpretation & Imaging)	<ul style="list-style-type: none"> <li>Israel offers cutting edge technology in this space, and Israeli industry has already made considerable commercial headway</li> <li>Competition from in-house processing among E&amp;P companies, but these companies tend not to offer the latest technologies</li> </ul>	
Geotechnical and Geophysical (G&G) Services	<ul style="list-style-type: none"> <li>There are the numerous critical challenges that Israeli companies will face in competing for opportunities will be difficult to surmount (e.g., high CAPEX esp. in offshore G&amp;G, which is more capital intensive than onshore)</li> <li>The local and global markets are limited in size, as is the ecosystem of trained individuals</li> </ul>	
Environmental Services	<ul style="list-style-type: none"> <li>Few organic opportunities for Israeli companies to provide world-class services in Israel or be introduced into the global E&amp;P supply</li> <li>Technology is interesting, but otherwise not many opportunities for Israel</li> </ul>	
Engineering Services	<ul style="list-style-type: none"> <li>Few opportunities for Israeli companies to gain experience in country</li> <li>After Leviathan, other projects will be smaller in scale and will only take place in the future TK</li> </ul>	
Construction Labour	<ul style="list-style-type: none"> <li>Increased automation as the industry tried to move to a "manufacturing process" will lead to reduced demand</li> <li>Onshore and offshore engineering is a highly fragmented business, involved in numerous sub-segments, from upstream gas hubs to pipelines</li> </ul>	

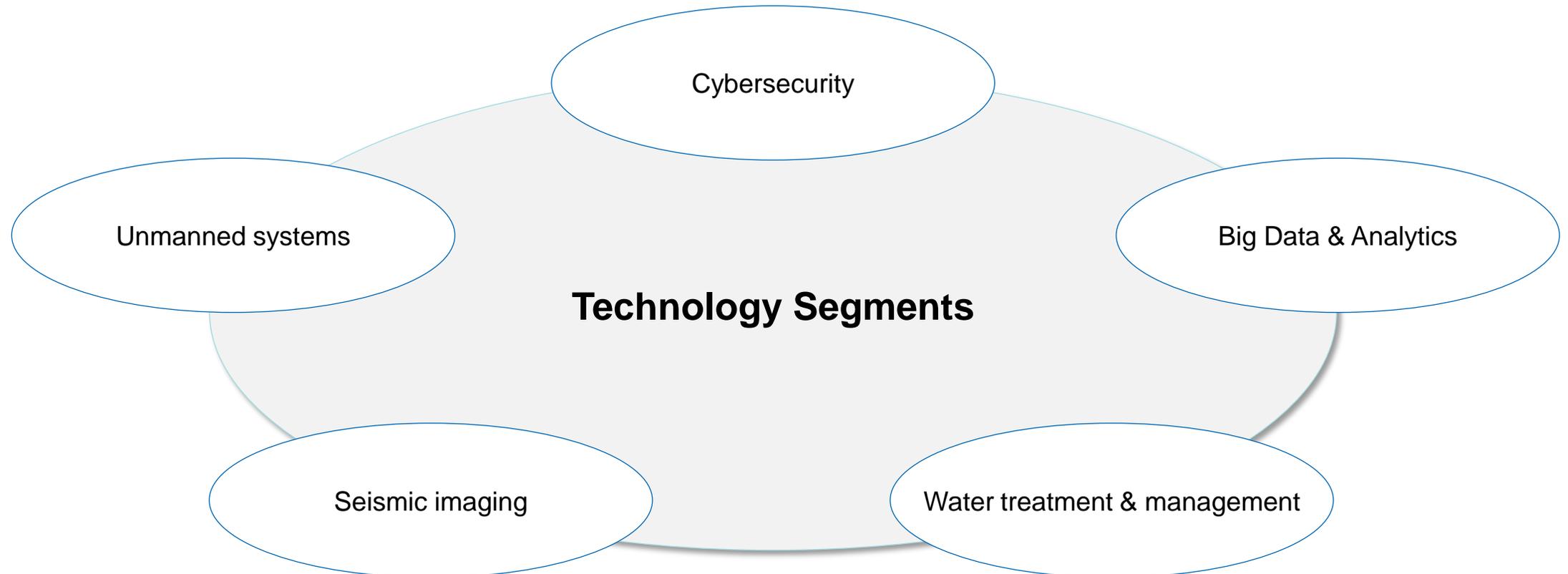
# Key segments of the E&P supply chain: a critical analysis (2/3)

Segments	Rationale	Recommendation
Equipment and Materials	<ul style="list-style-type: none"> <li>• A very fragmented market which contains many different sub-segments ranging from offshore floating platforms to onshore gas export pipelines</li> <li>• CAPEX intensive segment which depends heavily on the track record and reputation</li> </ul>	
Water Management	<ul style="list-style-type: none"> <li>• Uniqueness of the products and services (often a sole provider globally)</li> <li>• World-class expertise in water management</li> </ul>	
Safety	<ul style="list-style-type: none"> <li>• Remote operations and unmanned could reduce spending on each facility because fewer “people” safety measures would be required, although the timescale for uptake of demanning is uncertain</li> <li>• Limited possibilities for gaining experience locally; distance from markets</li> </ul>	
Monitoring and Control	<ul style="list-style-type: none"> <li>• The trend of demanning production facilities could lead to a greater need for advanced monitoring and control systems</li> <li>• Some reputable advances in the technology</li> <li>• Still limited market in Israel, lack of experience globally</li> </ul>	
Predictive Maintenance	<ul style="list-style-type: none"> <li>• New offshore plays such as East Mediterranean or East Africa represent opportunities for suppliers to target those sub-regions in the 2020s</li> <li>• Closely related to Big Data &amp; Analytics</li> </ul>	
Big Data & Analytics	<ul style="list-style-type: none"> <li>• Skills and expertise</li> <li>• Uniqueness of the products and services (often a sole provider globally)</li> </ul>	

# Key segments of the E&P supply chain: a critical analysis (3/3)

Segments	Rationale	Recommendation
Operations	<ul style="list-style-type: none"> <li>Limited possibilities for gaining experience locally</li> <li>Limited experience in O&amp;G industry</li> <li>Operational efficiencies driven by technology presents opportunities</li> </ul>	
Logistics	<ul style="list-style-type: none"> <li>Limited possibilities for gaining experience locally</li> <li>Limited experience in O&amp;G industry</li> <li>Logistical efficiencies driven by technology presents opportunities</li> </ul>	
Physical Security	<ul style="list-style-type: none"> <li>Development of 24/7 security systems which give the ability to respond quickly to security threats</li> <li>World-class expertise and reputation</li> <li>Limited experience in the O&amp;G industry; the segment is dominated by US and UK companies</li> </ul>	
Cyber security	<ul style="list-style-type: none"> <li>Skills and expertise in cybersecurity (mostly defense)</li> <li>Uniqueness of the products and services (often a sole provider globally)</li> <li>Increasing digitalization and growing awareness for industrial cybersecurity</li> </ul>	
Unmanned systems	<ul style="list-style-type: none"> <li>The trend of de-manning production facilities could lead to a greater need for advanced monitoring and control systems</li> <li>Experience and track record of Aerospace and Defense industry</li> </ul>	

# Five segments within the E&P supply chain have been selected based on alignment with Israeli technological competence





# Israel

Where Breakthroughs  
Happen



# Thank You