

Digging for Oil

✖ A Christian-owned company exploring for oil in Israel plans to expand its drilling operations through a partnership that includes the purchase of a 2,000-horsepower drilling rig.

In a deal announced this week, Zion Oil & Gas will form a subsidiary tentatively called Zion Drilling Inc. through a partnership with Aladdin Middle East Ltd. (AME). The arrangement includes the purchase of \$7 million from AME and a series of \$1 million payments that are expected to coincide with Zion's drilling of seven additional wells in Israel.

AME will be responsible for the drilling, but Zion Oil & Gas will have 51 percent ownership of Zion Drilling and AME will have 49 percent ownership.

Zion Oil & Gas, based in Delaware, holds two petroleum exploration licenses and explores for oil and gas in areas located on-shore between Haifa and Tel Aviv. AME, incorporated in 1962, has drilled more than 130 exploration and development wells in Turkey and Egypt for oil companies such as Exxon, Mobil and Wintershall AG.

"We are looking forward to establish Zion Drilling Inc., as this will help us to drill as many wells as it takes, in order to recover the 'treasures of the deep that lie beneath,'" said John Brown, founder and chairman of Zion Oil & Gas, referring to Deuteronomy 33:13-16, one of several biblical passages the company believes point to oil reserves in Israel.

Several companies, both Christian and Jewish, believe the Bible points to vast amounts of petroleum deposits in Israel that could enable the Jewish nation to become energy independent.

In December, an Israeli company, Givot Olam Oil Exploration, announced that it found "significant quantities" of oil at its

drill site in Rosh Ha'Ayin, about 10 miles inland from the Tel Aviv coastline, though it was unknown whether the well contained a commercially viable amount of oil.

The previous year, Israel announced the finding of a rich natural gas field 55 miles west of the Haifa port. With initial estimates at \$15 billion, the gas field could meet Israel's natural gas demand for 15 years and reduce its dependence on imports.

Zion Oil & Gas found those discoveries encouraging, along with a recent U.S. Geological Survey (USGS) report that said there might be 1.7 billion barrels of recoverable undiscovered oil in the Levant Basin, an area within Zion's exploration rights.

The Jerusalem Post reported that in 1979 a former chief geologist of Shell determined that Israel has a potential of up to 2 billion barrels of recoverable oil. But large foreign fuel companies won't drill in Israel due to threat of a boycott by Arab oil-producing nations. A vast, confirmed oil reserve would likely attract to Israel more foreign oil companies that currently avoid the Jewish state.

"If they [Israel] become an oil producer tomorrow it would change the Middle East," Brown told Charisma earlier this year. "It will bring an economic opportunity that will be unparalleled. ... Israel has a unique place in history where God is going to do a lot for the Jewish people."