

# **LEBANON'S OIL & GAS SECTOR: 2015 PROMISES RENEWED DYNAMISM**

Speaker Nabih Berri's campaign to push the oil and gas file back into the spotlight is gaining momentum and is drawing cautious optimism among industry observers. Berri threw a bomb on December 08 when he told the Lebanese media that he has evidence Israel is stealing Lebanese gas and announced he intends to lobby concerned actors to counter the Israeli threats. The first step to assert Lebanese sovereignty over its EEZ and the resources it contains is to proceed with the licensing round, which seems to be the main objective of the campaign. Berri insisted he wants the two decrees needed for the tender approved in January 2015 (a decree defining offshore blocks and their coordinates, and another one approving the tender protocol and the model exploration and production agreement).

Berri's move was immediately supported by an intensive media campaign and relayed by a network of opinion leaders orbiting around Berri's sphere.

Although the Speaker said he would seek to reactivate the file after the Christmas and New Year break, he met with the Minister of Energy and Water Arthur Nazarian, the members of the Lebanese Petroleum Administration and the head of the Parliament's Energy Committee Mohammad Qabbani on December 15. The plan that was presented after the meeting involves (1) the approval of the two decrees and the petroleum tax law; (2) the launching of a campaign to promote the Lebanese oil and gas potential in Europe, Asia and the U.S. to attract investors, and – the point we believe is key to gather a wide enough political support and unlock the situation – (3) the organization of a second pre-qualification round, a key demand for the side that is trying to make a comeback in the sector.

In an interview with Berri's TV channel, NBN, the head of the Parliament's Energy Committee and Future Movement MP Mohammad Qabbani insisted that the organization of a second pre-qualification round is a must, in order to give a chance for companies that did not participate in the first round to be involved in the process, particularly companies hailing from Arab countries (Kuwait, KSA, Qatar) which now have "the necessary expertise and know-how to help us exploit our resources".

Various political and economic reasons explain this latest campaign. Will it succeed in achieving its objectives – i.e. push for the adoption of the needed legislation and proceed with the first licensing round?