

CYPRUS AND LEBANON IN ENERGY TALKS

Karen Ayat

Cypriot and Lebanese heads of state will discuss co-operation in energy exploration at a heads of state meeting this week.

Lebanese newspapers reported that Cypriot president Demetris Christofias will discuss offshore gas and oil with his Lebanese counterpart at meetings on Thursday.

Christofias will hold talks with President Michel Sleiman "to review economic issues and growth prospects after the discovery of large reserves of hydrocarbons," an official announcement said.

Cyprus is conducting energy research and development, but wants to conclude demarcation agreements on maritime exclusive economic zones with its neighbours. In the past, the government in Nicosia has signed delineation agreements with Egypt, Israel and Lebanon to pave the way for exploiting hydrocarbon deposits that criss-cross their boundaries. But an agreement has been held up in the Lebanese parliament due to Beirut's own dispute with Israel over sea borders.

Exploratory drilling conducted by Houston-based Noble Energy in Block 12 of Cyprus' EEZ indicates a gross natural gas reserve of up to 254.9 billion cubic meters (9 trillion cubic feet). Noble expects to commercially extract and transfer the natural gas to Cyprus shores by late 2018. Nicosia is negotiating with Italian giants ENI, France's Total and South Korea's Kogas for permits to drill for gas and oil in other blocks off Cyprus.

Cyprus hopes its energy bonanza can eventually help pull it out of recession and tackle its huge debt which has forced it to seek an EU bailout. Turkey has protested against the Cyprus government's offshore energy bid, branding it illegal and retaliating by beginning its own exploratory drilling off the breakaway north of the island.

Ankara has warned that companies involved in the Cyprus process could be shut out of Turkey's energy investment.