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Lebanon to seek pre-qualification gas exploration bids in Feb

Laila Bassam, REUTERS / BEIRUT

Lebanon will seek bids from Feb. 1 from companies wanting to pre-qualify for oil and gas exploration drilling in its Mediterranean waters and has set a May 2 date for formal applications, a government spokesman said.

Seismic surveys of Lebanon's waters suggest they contain several trillion cubic feet of natural gas. Energy and Water Minister Gebran Bassil said in September that one southern bloc alone could hold 12 trillion cubic feet and this was enough gas to produce electricity for Lebanon for 99 years.

Social Affairs Minister Wael Abu Faour told reporters after a cabinet session on Thursday that a shortlist of pre-qualified companies would be announced on March 21.

"The date for submission of requests for (drilling) licenses will be May 2," Abu Faour said. Officials say they expect final agreement on licensing to be reached in March 2014.

Interest in drilling in the eastern Mediterranean has grown since two natural gas fields were discovered off Israel, Lebanon's southern neighbor.

Lebanon has been hoping that sizeable gas discoveries could help address both its high level of government debt and chronic domestic power shortages.

It had planned to launch tenders for exploration drilling more than six months ago, but delays in setting up an oil and gas oversight committee forced a postponement.

Delegates at an oil and gas conference in Beirut earlier this month said Lebanese waters could contain between 30 trillion and 40 trillion cubic feet of gas.