

CYPRUS AND LEBANON EXPLORE AN ENERGY PARTNERSHIP

By: Karen Ayat

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[Cyprus](#) and [Lebanon](#) have agreed to discuss a future collaboration on natural gas matters. Both Eastern Mediterranean countries are likely to be blessed with large deposits of natural gas off their shores. The island nation of Cyprus has begun exploration activities led by Houston-based [Noble Energy](#). The Texan company encountered substantial amounts of gas (3.6 to 6 Tcf) with a mean of approximately 5 Tcf in the Aphrodite field in Block 12 of Cyprus' exclusive economic zone while undertaking its appraisal A2 drilling. [Noble Energy](#), who operates Block 12 with a 70% working interest - the remaining 30% being shared by its Israeli partners Delek and Avner - considered the results as encouraging for further exploratory drilling within Block 12.

An [ENI/KOGAS](#) consortium will also be conducting exploration activities in Blocks 2, 3 and 9 of Cyprus' EEZ while [Total](#) was awarded licences to search for natural gas in Blocks 10 and 11. They expect to commence exploration between the end of 2014 and the beginning of 2015. They also expressed interest in eventually participating in Cyprus' multi-billion LNG facility that will be built in the industrial zone of Vassilikos on the island's coast.

Lebanon too is believed to be home to large deposits of natural gas. Seismic surveys encourage such a belief but Lebanon has been delayed by obstacles of a political nature. [Internal conflicts](#), the lack of a full-powered cabinet, a civil war next-door and interference from foreign forces such as Iran and Saudi Arabia have constituted a medley of chaos that is threatening the realisation of Lebanon's energy ambition.

Lebanon needs this gas. Badly. The country's gross public debt stood at \$60 billion as at the end of the second quarter of this year (2013) according to a report by Lebanon's ministry of finance. Lebanon suffers from daily power outages that date back since the 1975-1990 civil war. Lebanese caretaker minister of energy and water Gebran Bassil recently [updated the estimate](#) of Lebanon's hydrocarbon riches: 'the current estimate, under a probability of 50 percent, for almost 45 percent of our waters has reached 95.9 trillion cubic feet of gas and 865 million barrels of oil', he said. The estimates are based on seismic surveys conducted ahead of a licensing round already [delayed](#) several times and now expected to be opened in January 2014.

Lebanon will have on offer 10 exploration blocks of 1,500- 2,500 square kilometers each. Disagreements over whether the blocks should be all allocated at once during the first round or progressively instead and whether the caretaker government should be allowed to exceptionally issue the two [pending decrees](#) are ongoing and stalling Lebanon's progress.. The remaining [pieces of legislation](#) are meant to delineate the maritime blocks in Lebanon's EEZ and decide on the model exploration and production sharing agreement.

A maritime [agreement](#) between Cyprus and Lebanon dated 2007 and delimiting the exclusive economic zones of Cyprus and Lebanon was signed by both countries but remains unratified by Lebanon. Despite that, the two have maintained decent diplomatic relations and might mean business when talking about future energy partnerships. During a recent visit in Cyprus, Bassil affirmed to his Cypriot counterpart George Lakkotrypīs that Lebanon is considering using Cyprus' facility to export some of its natural gas. Given the close proximity of the two states - only separated by 164.2 miles - it would make sense for them to pool efforts.

While Cyprus and Israel enjoy courteous diplomatic relations that led to them signing and ratifying an agreement defining their maritime borders in 2010, Lebanon and Israel remain in a state of war and are in a [dispute](#) over an area of 850-square-kilometer in the Mediterranean. The lack of diplomatic relations between Lebanon and Israel could stand in the way of a Cypriot-Lebanon energy friendship - should Lebanon ever overcome its obstacles and reach such a stage, and should Israel decide to work with the Eastern Mediterranean island.