

THE DAILY STAR

LEBANON

Petroleum Administration to prepare for oil bids

BEIRUT: The newly appointed members of the Petroleum Administration held their first meeting Friday under the chairmanship of Energy and Water Minister Gebran Bassil.

Bassil said the ministry and committee would do their utmost to invite international companies to start bidding for licenses to drill oil and gas before the end of this year.

Some of the new members have recently arrived from Paris and London, where they had been working with international firms.

Bassil told reporters at the Energy and Water headquarters that the Petroleum Administration would start working immediately, saying that the new members would do their best to prepare for bids from companies before the end of this year.

"The practical steps will take some time and it may even stretch to two years to accomplish them. But the first step has been made and that's what's important," he said.

As a point of comparison, the minister said that Israel has been working on a similar oil law since 1999, but has yet to start excavating gas.

Bassil added that the ministry would prefer a consortium of companies to work on every block off the coast.

"They [the companies] will try to extract gas from each of the designated blocks and this will take time. If they don't find gas in one block, then they will move to another block until the discovery is made. This will take some time but I am sure we will extract gas eventually," Bassil said.

He added that the Petroleum Administration would be expanding to help the committee in its work.

"To be fair to everyone, the presidency of the committee will be rotated among the six members annually," Bassil added.

Sources told The Daily Star that the presidency rotation policy had finally reached after some sides in the Cabinet insisted on having their own members heading the committee.

Bassil insisted that no political favoritism had been applied when the positions were filled.

Lebanon has contracted British-based company Spectrum to conduct a 2D and 3D seismic survey off the Lebanese coast to determine the quantities of gas and oil.

The company reported an impressive set of initial findings that exceeded previous estimates.

Officials at the company told The Daily Star that there are close to 25 trillion cubic feet of gas off the southern coast of Lebanon, with strong indications that more gas could be found in rest of the Lebanese coast.

Experts say the actual process of gas extraction will take at least three years, provided that everything goes according to plan.

“Oil and gas should be seen as Lebanon’s gold reserves, which cannot be touched,” Bassil said.

The minister added that none of the members of the committee would be allowed to talk to the press without the permission of the concerned minister.

Bassil said Thursday that the committee would continue to function even if Cabinet resigned and the situation necessitated a caretaker government.

More than 26 international companies have purchased the data containing the information on gas and oil in Lebanon from the Energy Ministry.

The six-member committee consists of Walid Nasr, Naser Htayet, Wissam Shbat, Gaby Daaboul, Wissam al-Zahabi and Assem Abu Ibrahim.

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