

FURTHER DELAYS THREATEN LEBANON'S ENERGY AMBITIONS

By: Karen Ayat

Published October 17, 2013

[Lebanon](#)'s caretaker energy minister Gebran Bassil delayed the country's offshore gas licensing round by a month from 10 December 2013 until 10 January 2014 as a result of the failure to form a cabinet that would approve two crucial decrees. The pending pieces of legislation were meant to delimitate Lebanon's offshore blocks and approve the model exploration and production agreement. Bassil had urged the president and the caretaker prime minister to hold a special cabinet meeting to pass the decrees but to no avail. A new cabinet has not been formed to date. The delays have been interpreted by most as an obvious sign of serious political discord amongst Lebanese politicians. While some politicians do not support Gebran Bassil and his vision for Lebanon's energy industry, others have personal ambitions and would like to stall the process as much as possible until they have a certain political control over the resources.

Bassil had previously expressed that Israel's offshore activities in close proximity to Lebanon's EEZ might be cause of concern and that Lebanon must accelerate its activities in order to protect its indigenous resources. Without a unified plan to take Lebanon out of its energy dependence and overwhelming public debt, it is feared that further delays are to be expected. Lebanon's failure to stick to the plan sends the wrong message to potential investors interested in developing the country's natural gas deposits. Without a holistic and national vision in regards to the management of the hydrocarbon resources, Lebanon risks losing the momentum and staying out of the game.

Texas-based [Noble Energy](#) confirmed earlier this month that the appraisal drilling at the Aphrodite field in Block 12 of [Cyprus](#)' EEZ resulted in an updated estimate of gross resources of the field ranging from 3.6 trillion cubic feet (Tcf) of natural gas to 6 Tcf, with a mean of approximately 5 Tcf. Aphrodite represents the third largest field discovered to date within the Deepwater Levant Basin. Noble Energy operates Block 12 offshore the Republic of Cyprus with a 70 percent working interest. Noble announced that the results encourage further exploration in Block 12. Although the numbers are smaller than originally expected, Cyprus is determined to go ahead with its LNG plans. [Israel](#) is at the stage of debating possible export routes and destinations following the successful discovery of substantial deposits of gas off its shores.

The different stages of development in the three Eastern Mediterranean countries will be detrimental to Lebanon if the country does not adopt a national strategy aimed at achieving energy independence and improving the state of its economy. The original timeline promising that Lebanon will achieve energy security by 2020 and be in a

position to export its gas is proving to be unrealistic. Further delays will send the wrong message to investors that could eventually lose faith in the country's ability to manage the process. If the maritime border conflict with Israel, the [Syria](#) conflict next door and the regional political instability remain the main challenges that Lebanon will have to face, the country's worst enemy is within its borders.