



LOGI press release in reaction to passing of two oil and gas decrees

January 4, 2017. Source: Lebanese Oil and Gas Initiative (LOGI)

In its first cabinet meeting on Wednesday, January 4th Lebanon's new government passed two needed decrees that had delayed development of an offshore oil and gas sector since 2013. Without the decrees, one pertaining to block delineation and the other to the Tender Protocol and Exploration and Production Agreement (EPA), international oil companies cannot bid for rights to explore for oil and gas in Lebanese waters.

The Lebanese Oil and Gas Initiative (LOGI), a global network of Lebanese oil and gas experts and professionals, welcomes the passing of these decrees as a necessary step toward kick-starting the Lebanese oil and gas industry. The government's next steps will be critical in setting a precedent in how the industry will be managed and regulated.

As such, LOGI would like to call upon the government to:

1. **Clarify detailed next steps of what the process will look like going forward.** Will there be another pre-qualification and licensing round? What will the timeline look like? What are other regulations that will need to be passed? Etc.
2. **Include civil society as a key stakeholder in the process.** The Minister of Energy & Water is urged to organize a meeting with civil society to share the Council of Ministers discussion pertaining to the passing of the two decrees, as well as clarify next steps and civil society's involvement in the process.
3. **Pass the petroleum tax law without further delay.** A key next step after passing the two decrees will be for the Council of Ministers to discuss the draft petroleum tax law and for Parliament to ratify it. LOGI calls for the law to be passed without further delay, as this is a critical step for the country to establish a balance between maximizing public revenue and encourage investment in the sector.
4. **Abide by the highest standards of transparency and disclose model contract.** As the EPA decree was issued it will be of outmost importance for the government to disclose the model exploration and production agreement contract.

We as LOGI are committed to ensuring transparency, to support the passing of the right laws and regulations, and to monitor their implementation and development of the sector so that Lebanon's resources benefits all Lebanese citizens. The passing of the two decrees was welcomed by citizens, media and political parties with mixed reactions. To avoid any confusion, misinterpretation or fears of corruption the government must build and establish trust with all stakeholders.

Therefore, LOGI urges that government stakeholders, including the Ministry of Energy and Water, the Lebanese Petroleum Administration, and the Parliament, to be inclusive of civil society and citizens in planning and managing an oil and gas industry as these resources belong to all citizens.

About LOGI

LOGI is an independent non-governmental organization based in Beirut that promotes the transparent and sound management of Lebanon's oil and gas resources. It aims to develop a network of Lebanese experts in the global energy industry and provide them with a platform to educate Lebanese policy makers as well as Lebanese citizens on the key decisions facing the oil and gas industry. LOGI focuses on public awareness, policy development and advocacy to help Lebanon maximize the economic and social benefits of its oil and gas wealth – and avoid the resource curse. You can learn more by visiting www.logi-lebanon.org