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LEBANON

Bassil: Oil prospects off Lebanese coast can reduce energy imports

BEIRUT: Ongoing seismic surveys are signaling that Lebanon could have petroleum reservoirs in addition to highly anticipated natural gas wealth, the energy minister said at an international energy conference.

"The 3-D seismic surveys assured the existence of natural gas in large quantities, and new surveys are now showing oil liquids," Gebran Bassil told pan-Arab television station Al-Arabiya on the sidelines of World Future Energy Summit held in Abu Dhabi.

"This led us to decide to commission onshore surveys, and we have been in talks with several companies for that purpose," he said, adding that tapping offshore natural gas resources remains a priority.

Last month, Petroleum Geo-Services, one of two geological surveyors operating in Lebanon, said oil could be found in reservoirs close to the coast.

PGS launched a seismic survey in December focused on locating petroleum reservoirs in the area, with completion dates set between April and May 2013.

Bassil told the conference Lebanon could not continue to spend up to 15 percent of its GDP on fuel imports.

"We should take our natural position as an Arab energy producing state," he said.

Expressing his confidence that Lebanon could start drilling for natural gas in its offshore Exclusive Economic Zone in five years, Bassil reiterated that the first round of licensing would be launched on May 2 this year.

"A French [oil and gas] company gave positive feedback about the five years figure. Lebanon can sign the first drilling contract by 2014," he said.

Bassil added that over 30 international companies were highly interested in applying to the exploration bid, with many already forming consortiums.

Lebanese oil and gas laws require bidders to form alliances of at least three companies to apply for an exploration license.

In its last session before the end of 2012, the Lebanese Cabinet set the date for the first tender for oil and gas exploration as Feb. 1. The Cabinet also decided to publish the list of prequalified

firms on March 21 and to receive formal applications on May 2.

The value of natural gas reserves has been estimated as between \$300 billion and \$600 billion, depending on market prices and supply and demand.

Ending his speech at the conference, Bassil said the natural gas wealth should not fuel more conflicts.

“Most importantly, we need to preserve stability in Lebanon and the region. We want to benefit from our wealth, with no one violating our rights and without violating anyone’s rights,” he said.

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