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LEBANON

Experts estimate \$40 bln gas reserves off Lebanese coast

By Osama Habib

BEIRUT: An international firm has estimated the volume of gas in Lebanon's south-west corner to be close to 25 trillion cubic feet, valued by experts to be worth over \$40 billion.

"In the 3,000 square kilometers we are covering in the south-west corner of Lebanon, near the borders of Cyprus and Israel, an initial assessment [indicates] there may be 25 trillion cubic feet of gas," David Rowlands, chief executive of Britain-based Geo Ltd. Spectrum Company CEO, told The Daily Star Friday.

The Lebanese government contracted Spectrum to conduct a 3-D seismic survey off the Lebanese coast.

The results so far have been more than encouraging as major U.S., European and Asian companies have expressed a keen interest in drilling gas off the Lebanese coast.

Many Lebanese, who have lost faith in their government's ability to solve the economic crisis and cut the size of the huge public debt, believe the gas reserves may represent the last hope for rescuing the country's economy.

The total maritime area that will be surveyed is 22,000 square kilometers, meaning that gas levels could be higher than initial estimates show, Rowlands added.

He declined to speculate the market value of the 25 trillion cubic feet of gas, but some experts have estimated it to be worth in excess of \$40 billion at current market prices.

Experts interviewed by The Daily Star say that the value of the gas deposits could double or triple in the coming years as the world becomes more dependent on natural gas.

Rowlands said this single discovery is much bigger than the findings announced in Cyprus.

"In Cyprus' offshore bloc 12, the estimated discovery was between 5 to 6 trillion cubic feet of gas. The 25 trillion in just one area of Lebanon suggests there could be much more gas off the Lebanese coast," Rowlands said.

He added that Dolphin Geophysical, which is subcontracted by Spectrum, is currently surveying the 3,000 square kilometers in Lebanon's south west corner with its high-capacity seismic vessel, M/V Polar Duke.

Rowlands said that Israel has so far announced the discovery of 30 to 32 trillion cubic feet of gas.

“We are saying in our estimates that there is 25 trillion cubic feet of gas in one area alone. There could be more gas offshore Lebanon than Israel’s offshore gas,” he explained.

The companies will provide all the data they have collected to the Lebanese government in January 2013.

Rowlands said that Spectrum has a contract with the Lebanese Energy and Water Ministry to acquire onshore oil data as well.

“Our people are going to be in Beirut next Tuesday and Wednesday to meet with the Energy Ministry officials and to do some scouting onshore Lebanon and to determine where we are going to position our onshore survey,” Rowlands revealed.

“It is our intention in the first quarter of next year to conduct a seismic survey ... We believe that Lebanon has oil reserves onshore just like Syria.”

Roudi Baroudi, secretary-general of World Energy Council, said that Lebanon’s oil and gas wealth is much larger than that unveiled by Spectrum.

“We estimate that Lebanon’s offshore can produce up to 90,000 barrels of oil per day over the next 20 years, with the market value of this output is around \$100 billion,” Baroudi said.

But he stressed that tapping the massive oil and gas wealth in Lebanon requires a quick political decision.

“If March 8 and March 14 forces cannot reach an agreement on the Petroleum Administration or to benefit from this wealth then it is better to keep the gas reserves buried under the sea until the politicians return to their senses,” Baroudi said.

Echoing similar frustration by the government’s inability to form the Petroleum Administration, Rowlands said five members of the administration have been identified while the last member is expected to be elected soon.

“At a Deloitte and Touche conference in London ... the companies present said they were frustrated with the delays in forming the administration,” Rowlands said.

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