

THE DAILY STAR

LEBANON

Companies show interest in gas reserves

BEIRUT: Over 50 large European and U.S. companies showed keen interest in Lebanon's oil and gas prospects during a marathon meeting with Lebanese officials in London.

Most, if not all, of these companies expressed eagerness to explore oil and gas off the Lebanese coast as soon as possible after listening to a thorough explanation about progress the Lebanese government has made in surveying part of the Lebanese coast.

Among the questions raised by the companies was the actual size of the gas blocks off the coast; they said the larger blocks would tempt the firms to take part in the bidding.

"The international oil companies want to know the size of the gas blocks off the Lebanese coast before they start bidding," the CEO of British-based company Spectrum said Thursday.

"If the blocks are too small then the oil companies will not bid on them because they are interested in finding big gas reserves," CEO David Rowlands told The Daily Star over the telephone following the meeting.

He added that Cesar Bou Khalil, an adviser to the Energy and Water Ministry, told the representatives of the companies that all the information concerning the size of the blocks will be revealed by the Petroleum Administration once it's formed.

Spectrum, which has been conducting a 3-D seismic survey off the southern coast of Lebanon, assured the companies that the prospects of large amounts of gas in this country are quite substantial.

The company earlier revealed to The Daily Star that the preliminary results covering 3,000 square meters show close to 25 trillion cubic feet of reserves with a potential market value of more than \$40 billion.

Rowlands said that 60 oil companies from the United States, France, United Kingdom, Austria and other countries attended the briefing which was dedicated to Lebanon's oil and gas prospects.

The companies also asked the Lebanese officials about the situation in neighboring countries and particularly Syria.

Ali Hamdan, media adviser to Speaker of Parliament Nabih Berri, briefed the companies about the geo-political situation in Lebanon and efforts the government is making to speed up the oil and gas exploration.

Hamdan assured the companies that the government will make all the necessary arrangements to facilitate the work of the oil companies.

He added that the discovery of oil and gas will enable Lebanon to reduce of the massive public debt, cut the size of the budget deficit and generate more jobs for the future generations.

Hamdan also underlined the importance of demarcating the country's maritime economic zone by the United Nations to determine accurately and without any doubt the actual size of the Lebanese maritime territorial waters.

Some of the companies urged the government to create the Petroleum Administration as soon as possible because this body will be in charge of issuing the tenders for the oil firms.

The government has yet to name the six members for the Petroleum Administration, though there are indications that the main political groups in the Cabinet have narrowed their differences on this issue.

Sources told The Daily Star the administration will be formed before the end of this year, adding that the ministers realize that any further delay would affect Lebanon's credibility.

Copyrights 2011, The Daily Star - All Rights Reserved

19/10/2012