

LEBANON DELAYS OIL & GAS TENDER, BREAKS WITH GEBRAN BASSIL'S PAST POLICIES

Energy Minister Arthur Nazarian announced on August 08 that the deadline to submit bids in Lebanon's first licensing round has been postponed from August 14, 2014 until "a maximum of six months from the date of the adoption" of the missing decrees. The tender has been repeatedly delayed due to the absence of two decrees, one defining offshore blocks and their coordinates and another defining the terms of the model exploration and production agreement.

Nazarian's decision, most likely recommended by the Petroleum Administration, could be perceived as a break with past policies. Former Energy Minister Gebran Bassil's dynamism and determination to meet deadlines – although commendable in many cases – have pushed him to officially launch the first licensing round in May 2013 despite the absence of those two decrees. The soundness of this decision has been questioned since. Frequent power vacuums within the executive branch (the country was run by a caretaker cabinet with limited powers for almost a year, from March 2013 until February 2014, and has been without a President since May 25, 2014) made it difficult to approve the two decrees. This has forced Lebanon to postpone the tender five times in less than a year, attracting mostly negative comments and reactions from analysts, industry stakeholders and media with each postponement.

And with each postponement, **the inevitable question: Are companies losing interest?** Interest in the exploitation of Lebanon's potentially significant offshore resources is high, but with today's decision to delay the tender until the decrees are approved, attention must be redirected to Lebanese authorities and their own determination (or lack thereof) to proceed with the tender.