

Search Natural Gas Europe...

RECENT NEWS

FEATURED ARTICLES

NEWS BY COUNTRY

TOPICS

WEEKLY OVERVIEWS

ABOUT US

OUR PARTNERS

CALENDAR

WHITE PAPERS

NEWSLETTER



January 08th, 2015

12:20am

Posted In: [News By Country](#), [More Countries](#), [Featured Articles](#), [Lebanon](#), [East Med Focus](#)



Tweet



Like 2

LEBANON'S NATURAL GAS INDUSTRY: NEW YEAR, NEW HOPES

Rumour in [Lebanon](#) is spreading that some good news may well be heard in 2015. The country's hydrocarbon industry has been struggling to take off due to a political impasse impeding progress. In march 2013, a pre-qualification round attracted the majors of the industry. The interest of international oil and gas companies boosted the confidence of a country relying on its hydrocarbon potential to cover a public debt of almost \$60 billion, end its frequent power outages and enhance a poor economy.

The licensing round never opened. Repeated delays and postponements led to the lack of confidence in the country's ability to launch explorations. Two essential decrees - one delimitating the blocks opened for bidding and the second setting the model sharing and production agreement - are yet to be issued by the government. Disagreement over whether to auction all ten blocks or progressively has also divided the political class. Meanwhile, [Cyprus](#) has made a major discovery in Block 12 of its Exclusive Economic Zone (the Aphrodite field estimated at 3.6 to 6 Tcf) and is searching for more. Israel too has discovered giant fields (Tamar and Leviathan estimated at respectively 10 and 21 Tcf) and is in the process of finalising an export strategy albeit with some regulatory hurdles.

But all hope is not lost. The new year brought a new energy for Lebanon. The two decrees are expected to be issues in the weeks to come. Fears that Israel may be siphoning Lebanon's gas have triggered series of talks between Lebanese officials that led to an agreement over which blocks to open for bidding and the urgency of issuing the two pending pieces of legislation. The signing of the decrees will allow international investors to express their interest in searching for gas off Lebanon's coast.

The Eastern Mediterranean region has the ambition of becoming a new natural gas hub. Regional demand, with Egypt, Jordan and the Palestinian Authority in need for the hydrocarbon, has encouraged Israel to opt for a pipeline strategy before exploring ways to reach further markets. The road ahead is bumpy: Israel is facing major [regulatory hurdles](#) in a mood of economic populism. A climate of uncertainty is putting a strain on the country's attractiveness to foreign investors. Cyprus' discovery, albeit significant, is not enough to justify the commercial feasibility of a multi-billion dollar



onshore LNG terminal. Lebanon is now trying to enter the game. Expectations are low but a positive surprise is not to be dismissed.

Karen Ayat is an analyst and Associate Partner at Natural Gas Europe focused on energy geopolitics. She holds an LLM in Commercial Law from City University London and a Bachelor of Laws from Université Saint Joseph in Beirut. Email Karen karen@minoils.com Follow her on Twitter: @karenayat

Natural Gas Europe welcomes all viewpoints. Should you wish to provide an alternative perspective on the above article, please contact editor@minoils.com

Kindly note that we only lightly edit content for grammar and do not edit externally contributed content.

ADVERTISE WITH US

If you would like to advertise with Natural Gas Europe, [click here](#)



NATURAL GAS EUROPE

Recommend Tweet

Oil Pipeline

Ask for our Engineering Experts Teams Everywhere in the World.



Stone Crusher Plant

Stone Crusher, Mobile Stone Crusher. 40-1000TPH Stone Crushing Plant!



Ads by Google

- [▶ Map of Lebanon](#)
- [▶ Syria Lebanon](#)
- [▶ Natural Gas LNG](#)

MORE FROM THIS CATEGORY



INTERVIEW: ENERGY TRANSITIONS AND THE PARIS AGREEMENT: HOW BIOGAS CAN HELP



WEEKLY OVERVIEW ON EASTERN MEDITERRANEAN NATURAL GAS MATTERS



MAJORITY OF TANAP PIPES PRODUCED, READY TO BE LAID



EXPERT: ISRAEL MIGHT BE REQUIRED TO PROVIDE GUARANTEES FOR POLITICAL RISKS INSURANCE FOR GAS PROJECTS



[Sign Up For Our Newsletter...](#)

[SIGN UP!](#)

[NATURALGASEUROPE.COM](#) [ABOUT US](#) | [OUR PARTNERS](#) | [CALENDAR](#) | [WHITE PAPERS](#) | [NEWSLETTER](#)

[ABOUT](#) [ABOUT US](#) | [OUR PARTNERS](#) | [CALENDAR](#) | [WHITE PAPERS](#) | [NEWSLETTER](#)

© 2016 NATURAL GAS EUROPE. ALL RIGHTS RESERVED.

FULLY OR PARTIALLY REPRODUCED MATERIAL MUST BE ATTRIBUTED TO NATURAL GAS EUROPE WITH HYPERLINK (WWW.NATURALGASEUROPE.COM)