

# THE DAILY STAR

LEBANON

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## Lebanon to name board for launch of offshore oil, gas bidding process

By Nayla Razzouk

Lebanon's Cabinet is in the final stages of appointing a body that will organize bids for the country's first offshore oil and natural-gas exploration licenses, an adviser to the energy minister said.

"We are just one step before the launch of the licensing round, which is the appointment of the board of the Petroleum Administration," Cesar Abi Khalil said Thursday in a telephone interview. Cabinet will soon name the six members of the Petroleum Administration, which will decide on the date for the licensing round, he said.

"Out of 620 people, we preselected 50 people and from these, we preselected 18 people: three candidates for each seat," he said. "The Council of Ministers is due to decide on this, we hope, in the next few weeks."

Dozens of international companies are interested in the licenses and have bought geophysical data covering Lebanon's waters in the eastern Mediterranean, he said.

"We have a 25-percent ratio in drilling success for hydrocarbons, which is significantly higher than what is usually considered as a high ratio of about 15 percent."

Geophysical data for the sub-sea has covered all of Lebanon's Exclusive Economic Zone, and some areas have been covered by 3-D surveys, he said.

The licensing round will offer production-sharing contracts as set by the offshore petroleum resources law, Abi Khalil said. The government is also preparing for a liquefied natural gas terminal and a gas distribution pipeline network that will link power plants and industrial sites along the coast.

The country is seeking to catch up since 2009 with neighboring Israel, which discovered enough fuel off its northern coast for itself and to potentially start exports. Lebanon has asked the U.N. to adopt measures to prevent a conflict with Israel over energy exploration in areas that may fall within Lebanese territorial waters.

Israel's then-National Infrastructures Minister Uzi Landau said in June 2010 that his government was willing to use force to protect its undersea gas finds, and Lebanon's militant group Hezbollah has repeatedly pledged to protect the country's offshore resources.

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24/08/2012