

LEBANON POSTPONES THE LAUNCHING OF ITS BIDDING ROUND, AGAIN

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[Lebanon](#) just postponed again the start of its bidding round scheduled for 10 January 2014, and to no surprise. Two essential decrees, one delimitating the offshore blocks and the second approving the model sharing agreement, remain outstanding. The issuance of those two essential pieces of legislation was complicated by Lebanon's current political void as the country is operating under a caretaker government that does not hold such a power *ipso facto*. A special session held by the caretaker government to discuss and approve the decrees was not endorsed by the President and the caretaker Prime Minister. Caretaker minister of water and energy Gebran Bassil will hold a press release on 10 January 2014 to clarify the next steps for Lebanon and determine a new date for the launching of the licensing round.

Lebanon is believed to hold [substantial amounts](#) of natural gas and oil offshore and onshore. Recent [estimates](#) go as far as suggesting that up to 96 Tcf of natural gas could be lying in Lebanese waters and 850 million barrels of oil onshore, according to Bassil. Such figures were achieved as a result of the surveying of 45% of Lebanon's EEZ. Cyprus and Israel's successful gas explorations encourage the belief that the Levantine basin is rich in hydrocarbon. [Cyprus](#) has so far discovered the Aphrodite field with a gross mean estimated by [Noble Energy](#) at 5 Tcf as a result of an appraisal drilling in the fourth quarter of 2013. The Tamar and Leviathan are the most important natural gas fields discovered so far off the shores of [Israel](#), containing together a gross mean of 28 Tcf of natural gas (respectively 10 and 18 Tcf). While Tamar came online in March 2013, Leviathan is expected to supply gas by 2017. Israel has started inking and planning agreements to sell gas from the Leviathan to immediate neighbors.

Lebanon's political dilemmas and security concerns threaten the smooth progress of the country's path towards energy production. The maritime promises mean a lot for a country suffering from an inflated public debt and recurrent daily power outages. Unresolved domestic political rivalries and an ongoing conflict in neighboring [Syria](#) handicap the functioning of Lebanon's institutions and plunge the country in a continued [impasse](#).

The dangers that accompany such [delays](#) are losing the interest of major oil and gas companies that have expressed their intent in participating in gas explorations activities in Lebanon's waters via their participating in the prelicensing round. Lebanon's late

entry in the Eastern Mediterranean energy game also means that the country will be left behind while Israel and Cyprus reach energy independence and start supplying natural gas to export markets - regionally through pipelines and further by liquefying the natural gas.

The current persistent interest of oil and gas giants despite the repeated delays could however signify their firm confidence in Lebanon's hydrocarbon potential. It is unclear how much such a confidence weighs in the midst of the country's ineptitude so far to reach a national understanding, halt its never-ending retaliations and prioritize its files. Lebanon's attractiveness as a potential energy producer despite the obstacles it is facing is nevertheless encouraging. The bodies in charge and the periphery industries should leverage all efforts in planning the ins and outs of an energy industry that might be delayed, over and over, but that will no doubt, eventually, show up.