

LEBANON STILL ON TRACK DESPITE NEIGHBORING TURMOIL

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At a press conference, Lebanese caretaker Water and Energy Minister Gebran Bassil said natural gas offshore [Lebanon](#) is estimated at 30 trillion cubic feet (tcf).

This amount of gas would be enough to meet the country's modest demand for 200 years.

Experts believe that Lebanon could have as much as 80 tcf. Bassil added that a 3-D water survey was currently covering the waters in northern Lebanon.

The New Ventures Manager at [Spectrum](#), Neil Hodgson, confirmed Gebran Bassil's statement: total deep-water reserves could be up to 80 trillion cubic feet.

Lebanon, although still behind its neighbors [Israel](#) and [Cyprus](#) in the race to develop hydrocarbon reserves (mainly due to obstacles of a political nature), has made some progress.

The country has passed laws, established a petroleum authority, covered its waters with seismic data and attracted 46 companies to qualify for its inaugural licensing round. The Lebanese government estimates to sign contracts with winning consortiums by March 2014. Extraction is expected in 2018.

The revenues, expected in 2019 at the earliest, will be used to save Lebanon's debt-ridden economy handicapped by a burdening debt equivalent to 140% of its GDP.

The newly found gas will also be used to improve electricity supply, supply new power stations and alleviate an oil import bill that has reached 10% of the GDP.

Additional oil and gas revenue will go into a sovereign wealth fund, as dictated by the country's Offshore Petroleum Resources Law. The government, led by caretaker Prime Minister Tammam Salam, has yet to agree on a revenue-sharing framework to determine its share of the proceeds.

Although the progress so far has been surprising, the feasibility of the plan remains questionable. Delays, mostly of a political nature, are to be feared. Bassil stressed on the importance of keeping the oil and gas industry independent from political wranglings. The Syrian conflict next door is increasingly threatening Lebanon's stability and thus Lebanon's ambitious hydrocarbon plans.

