

The Daily Star 24-1-2018

BEIRUT: A foreign oil expert said Lebanon is likely to find more gas and less oil during offshore exploration, adding that the world would continue to depend on fossil fuel for a long time.

"The chances of finding oil is no but the chances of finding gas is yes. There is a greater chance to discover commercial quantities of gas off the Lebanese coast," the expert, who declined to be identified, told The Daily Star over the telephone.

He added that for companies like Total and ENI to pay for a license and invest in exploration means that they are optimistic about the prospects of discovering commercial quantities of gas in Lebanon.

"These companies would not have spent the time and effort to explore for gas if they were not convinced the wells have substantial amounts of gas off the coast," the expert said.

He emphasized that one of the main factors that prompt energy companies to drill for oil is the price of the commodity in the international market.

"If the price of a barrel of oil is less than \$50 then the companies will not be bothered to drill. But if the price ranges between \$65 and \$70 then companies will be more encouraged to explore," the expert said.

He believes the demand for gas will stay high despite efforts to focus on renewable energy and shale oil.

"There will always be a demand for gas for at least the next 20 years. Fossil fuel is still the main source of energy," the expert said.

He added that one of the options Lebanon should consider when gas starts gushing from the wells is to build liquefaction gas plants so the gas can be exported even if the war in Syria prevents Lebanon from building a gas pipeline crossing through its neighbor.

But he admitted this option is quite expensive.

Energy and Water Minister Cesar Abi Khalil announced on Jan. 11 that Lebanon will sign contracts with a consortium of three international oil companies at the end of January to start gas exploration.

According to the contracts, the consortium, composed of French company Total, Italian ENI and Russian Novatek, will start actual gas exploration in 2019.

The companies will set up offices in Lebanon and hire Lebanese and foreign staff.

Lebanon hopes for the discovery of substantial gas, which would signal new prosperity for the country. But oil experts stress it will take at least five or six years to start pumping any gas found.