

LEBANON APPROVES GAS LICENCE CONDITIONS

Lebanon has approved conditions for companies to bid in the nation's first offshore oil and natural gas licensing round as it seeks to catch up with Israel and Cyprus in developing fuel reserves.

The decision was made Wednesday at a weekly cabinet meeting, Information Minister Walid Daouktold reporters after the session in Beirut.

Royal Dutch Shell Plc, Cairn Energy Plc and Cove Energy Plc are among companies expressing interest in bidding for a licence.

A list of qualified explorers is expected to be issued by March 31 and they can place bids starting May 2 for six months, Minister of Social Affairs Wael Bou Faour said last December. Exploration will proceed in waters close to those of Israel and Cyprus, where US-based major Noble has found gas. The Leviathan field, discovered in 2010 in Israel's deep waters, was the world's largest find of its kind in a decade.

Lebanon, which passed an oil and gas law in 2010, faces political divisions that have delayed action on energy exploration. Revenues from oil and gas reserves may help reduce its debt burden, the largest in the Arab world. The country is running a debt of €41 billion (\$56 bn), equivalent to 135% of its annual economic output.

The Leviathan field contains an estimated 16-20 trillion cubic feet (tcf). The Tamar field to the south holds 8.4 tcf.