

Lebanon: Certainty in Uncertain Times



When speaking about Lebanon's treasures and natural resources, we usually mean from the ground up; the natural beauty, the weather and the people. And in contrast, Lebanon seems to always be mired with political instability, uncertainty, and dependability on others for some of the essentials in life such as oil and gas. Lebanon as an oil and natural gas producing country no longer falls in the realm of dreams. The reality is that Lebanon can dust off decades of reliance on neighbors with respect to oil and gas and begin the process of dredging for these resources, which in all likelihood exist beneath this sacred earth. Unfortunately, and despite

scientific evidence that Lebanon has a great potential of becoming a gas producer, for example, little is being done about enacting new regulations to proceed with the necessary steps to begin the process.

Natural gas fields are located beneath the bedrock on the coastal zones. The gas production there is estimated at \$5 billion yearly for the next 20 years, totaling \$100 billion. The Syrian government is extracting natural gas from a field 800 meters north of the Lebanese borders. Considering the natural topography and geography of these two countries, it is believed that such fields extend along the Lebanese territorial waters. Most of the seismic studies, which were performed between 1982 and 1993 and even today, conclude the existence of hydrocarbon reserves in these waters. Another major gas location is 1,700 meter south of Nakoura in the Palestinian Territories.

The Norwegian government has implemented a three-dimensional study to locate oil and gas fields in Lebanon and they selected two areas: from Batroun to Akkar in the North and from Beirut to Sidon in the South. In June 2007, the Lebanese government had a very serious discussion with one of the Norwegian experts, but still no decision has been made towards proceeding forward.

To help jumpstart the national economy, it is time for the Lebanese government to seriously consider the issue of oil and gas as potentially being major natural resources. It needn't worry about dredging, exploration and extraction costs as this is typically assumed by the companies commissioned on a build-operate-transfer (BOT) project or some other profit-sharing scheme.

Politics should not hinder this project from proceeding forward. If someone is wondering why properties abroad are going for dirt cheap amidst the global financial crisis while Lebanon's real estate market is still holding its own, is because who knows what riches lay beneath its dirt.