

# Oil Drop Below \$80 Vindicates Cautious Investors Trimming Bets



أرامكو السعودية  
Saudi Aramco



- Hedge funds cut Brent wagers by most since June 2017
- Saudi Arabia signals OPEC and allies may boost production

Money managers' reluctance to get behind the oil rally is finally paying off.

Hedge funds trimmed their net-long position – the difference between bets on a price increase and wagers on a drop – in

Brent crude by the most in almost a year. The cuts came as the global benchmark capped its first weekly drop since early April, sliding below \$80 a barrel after Saudi Arabia and Russia said OPEC and its allies may boost oil output in the second half of the year.

“Traders thought that the market was in the process of topping out,” John Kilduff, a partner at Again Capital LLC, a New York-based hedge fund, said by telephone Friday. Oil prices had a “swift reaction today to the musings by OPEC to potentially add more supply to the market. We will be very headline-driven over the next few weeks.”



Oil retreated from the highest prices in almost four years as Russian and Saudi energy ministers signaled that the coalition led by the Organization of Petroleum Exporting Countries may gradually raise oil production to assuage consumer anxiety about higher prices. Their comments mark a major shift in strategy for the historic alliance forged in 2016 to erase a global crude glut.

“I think in the near future there will be time to release supply” smoothly to avoid shocking the market, Saudi Energy Minister Khalid Al-Falih said at the St. Petersburg

International Economic Forum in Russia. When OPEC, Russia and other major producers meet in June “we will do what is necessary” to reassure buyers, the minister said.

He spoke after talks with his Russian counterpart Alexander Novak, who said the output boost would start in the third quarter, if it’s approved by other members of the group. Both men said the size of the increase was still subject to negotiation.

Hedge funds lowered their Brent net-long position by 8.6 percent in the week ended May 22 to 501,634 contracts, according to ICE Futures Europe data on futures and options released Friday. That was the biggest decline since June 2017.

Money managers’ net-long position in West Texas Intermediate crude fell by 2 percent to 377,520 futures and options, the lowest since November, according to U.S. Commodity Futures Trading Commission released Friday. Longs slipped less than 0.1 percent, while shorts climbed 23 percent, the biggest jump since April.

“You want to get out of the long positions if you are expecting that OPEC is going to increase production,” James Williams, president of London, Arkansas-based energy researcher WTRG Economics, said by phone. “It makes perfect sense for the folks that are long to say, ‘How much longer can this thing continue to grow?’”

## **Disruption Threat**

Crude had rallied earlier this month on the dual threat of supply disruptions from Iran and Venezuela, which together account for about 14 percent of OPEC’s production. Still, the coalition is weighing the possibility of easing output limits at a time when drillers are pumping record amounts of crude from American shale basins.

“The market kind of overextended itself, ” Gene McGillian,

manager of market research for Tradition Energy in Stamford, Connecticut, said by phone. "With the Saudis now saying they're limiting their production cuts and geopolitical risk already priced in, there is going to be some uncertainty."

A dearth of pipelines in West Texas' Permian Basin, the most prolific U.S. oil play, is leaving supplies trapped in the region. That's expanding the nation's surplus of the fuel as American production tops 10 million barrels a day.

U.S. inventories climbed by 5.78 million barrels to about 438 million barrels in the week ended May 18, data from the Energy Information Administration showed. That was a surprise increase compared with the 2 million-barrel decline predicted in a Bloomberg survey.

But analysts and traders predict that stockpiles may decline in the coming weeks, bolstering prices. Data provider Genscape Inc. was said to report that inventories fell by about 475,000 barrels between May 18 and May 22 at the key pipeline hub in Cushing, Oklahoma.

Oil prices have "been extremely extended for a long period of time," Kyle Cooper, a consultant at brokerage Ion Energy Group LLC, said by phone Friday. The "EIA report was bearish with a nearly 6 million-barrel build in total petroleum. The more important thing is how that was followed up today with OPEC and Russia regarding the possibility of removing some of those supply constraints."

---

## **Saudi Arabia and Russia**

# Discuss Scaling Back Global Oil Cuts



أرامكو السعودية  
Saudi Aramco



- Easing output curbs “on the table”; no decision yet: Al-Falih
- OPEC, allies to discuss loosening supply caps in June: Novak

Saudi Arabia and Russia, the oil producers who led the effort to shrink a global glut, said they are discussing easing output curbs for the first time.<sup>30</sup>

While scaling back the supply caps is “on the table,” no decision has been made, Saudi Arabian Energy Minister Khalid

Al-Falih said in an interview early Friday morning in St. Petersburg. The Organization of Petroleum Exporting Countries and its partners will in June discuss loosening the curbs that began in 2017, Russian counterpart Alexander Novak said at the same interview after a meeting between the two officials.

Speculation is swirling over when and by how much the producers will scale back cuts after they eliminated an inventory surplus that had sparked a price crash about four years ago. Market uncertainty has risen following renewed U.S. sanctions on Iran that may curb the Islamic Republic's exports, and as economic turmoil in Venezuela drives a collapse of the OPEC member's oil industry. Crude's rebound is also spurring concern that demand may falter.

Russia and Saudi Arabia share a common view on "consuming countries' anxiety and concerns over potential supply shortages," Al-Falih said. "We will ensure that the market remains in its trajectory towards rebalancing, but at the same time we will not overcorrect." The two nations will meet at least two more times before OPEC and its partners gather in Vienna next month, he said.

While Saudi Arabia has shown a desire for higher prices to bankroll domestic economic reforms and underpin the valuation of its state oil company in a planned initial public offering, the top OPEC member and its allies are facing pressure from consuming nations as well as crude producing companies.



## High Enough

Indian Petroleum Minister Dharmendra Pradhan said earlier this month that he expressed concern about rising crude and its impact on consumers to Al-Falih. He added that the Saudi energy minister had assured him that the Middle East nation and other producers would ensure that adequate supplies are available and that prices remain reasonable. In developing countries from Brazil to the Philippines, drivers are complaining about high fuel costs.

In Russia, some of the largest oil producers called for more flexibility after almost 17 months of output curbs. The cuts have achieved their goal and crude prices near \$80 a barrel are high enough, according to the bosses of Lukoil PJSC and Gazprom Neft PJSC. Novak said that he will hold talks with the nation's crude producers next week or the week after to discuss the deal with OPEC.

"Earlier we said that we will monitor the market situation, now we can say that we are looking into the issue" of a smooth recovery in output to meet growing demand, Novak said in the interview on Friday. He added that he and Al-Falih discussed prices and the market situation, including Venezuelan

production and risks related to Iran.

The Saudi minister said he'll meet Novak again in Moscow on June 14, adding that another meeting between the two is possible before that.

### U.S. Supply

In Washington, Democrats are using high gasoline prices, approaching \$3 a gallon for the first time since 2014, as a political tool, accusing the White House of not doing enough to shield consumers.

Recent price gains have been driven by American actions such as President Donald Trump's withdrawal from a 2015 deal between Iran and world powers that had eased sanctions on the Persian Gulf state in exchange for curbs on its nuclear program. Earlier this month, Al-Falih and United Arab Emirates Energy Minister Suhail Al Mazrouei said recent moves in oil prices have been driven by geopolitics and that global supply remains ample.

Additionally, record production in the U.S., which is not part of the deal among global producers to cut output, is a key issue that's complicating strategy for OPEC and its allies.

Brent crude, the benchmark for more than half the world's oil, was down 0.4 percent at \$78.49 a barrel at 7:31 a.m. in London. Earlier this month, prices had traded above \$80 a barrel for the first time since November 2014. U.S. West Texas Intermediate futures were at \$70.49 a barrel in New York.

"We will be coordinating closely, monitoring the market almost on a daily basis," Al-Falih said on Friday. "We'll consult with other countries. Each of them has a voice and their voices matter to us."



---

# Under Pressure From Trump, Saudis Put Brakes on Oil's Rally



أرامكو السعودية  
Saudi Aramco



- Riyadh supports a gradual increase in oil output over summer
- Middle East oil producers worried about U.S. anti-trust laws

The world's largest oil exporter just made quite a policy

swerve. Within six weeks, Saudi Arabia has gone from advocating higher prices to trying to stop the rally at \$80 a barrel.

The U-turn scrambled the outlook for oil markets, hit the share prices of oil majors and shale producers and set up a diplomatic wrangle with other members of the Organization of Petroleum Exporting Countries.

What changed? The supply threats posed by the re-imposition of U.S. sanctions on Iran oil exports earlier this month and the quickening collapse of Venezuela's energy industry are both part of the answer, but they're secondary to Donald Trump. On April 20, the president took to Twitter to lambaste the cartel's push for higher prices. "Looks like OPEC is at it again," he tweeted. "Oil prices are artificially Very High!"



**Donald J. Trump** 

@realDonaldTrump

Looks like OPEC is at it again. With record amounts of Oil all over the place, including the fully loaded ships at sea, Oil prices are artificially Very High! No good and will not be accepted!

11:57 AM - 20 Apr 2018

Trump's intervention gave typically strident voice to a concern held more widely in the U.S. and other consuming countries: oil's rally from less than \$30 in early 2016 to more than \$80 this month risked becoming a threat to global economic growth.

On Friday, Saudi Oil Minister Khalid Al-Falih responded, saying his country shared the "anxiety" of his customers. He then announced a shift in policy that all but gave a green

light for a market sell-off, saying OPEC and its allies were “likely” to boost output in the second half of the year.

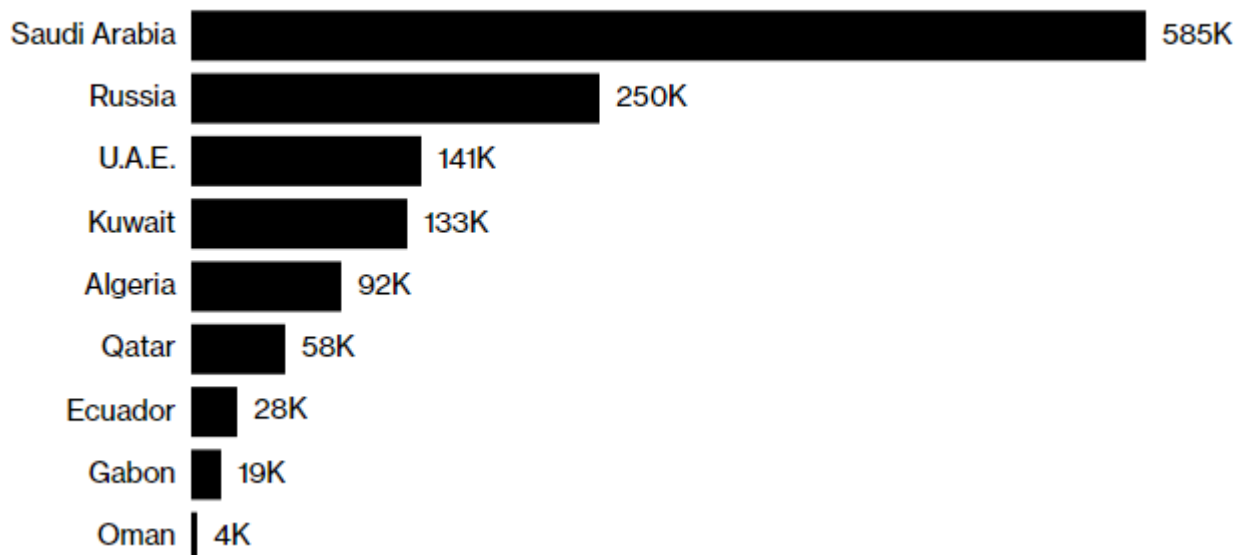
“The tweet moved the Saudis,” said Bob McNally, founder of consultant Rapidan Energy Group LLC in Washington and a former White House oil official. “The message was delivered loud and clear to Saudi Arabia.”

After Al-Falih’s comments, made following a meeting with his Russian counterpart in St. Petersburg, saw crude drop more than \$3 to below \$67 a barrel in New York on Friday. The bullish tone of recent market chatter, increasingly punctuated with talk about oil prices climbing past \$100, \$150 and even \$300, suddenly looks overdone.

## Who’s Got the Juice?

Saudi Arabia and Russia could potentially return the most oil to the market.

■ Size of output cut since 2016 in barrels a day



It wasn’t just the U.S. Other major buyers of Saudi crude also put pressure on Riyadh to change course, albeit a little more diplomatically than Trump. Dharmendra Pradhan, the Indian petroleum minister, said he rang Al-Falih and “expressed my

concern about rising prices of crude oil.”

OPEC officials were in a meeting at the opulent Ritz-Carlton hotel in Jeddah on Saudi Arabia’s Red Sea coast when Trump tweeted his views and they immediately saw it as a significant intervention.

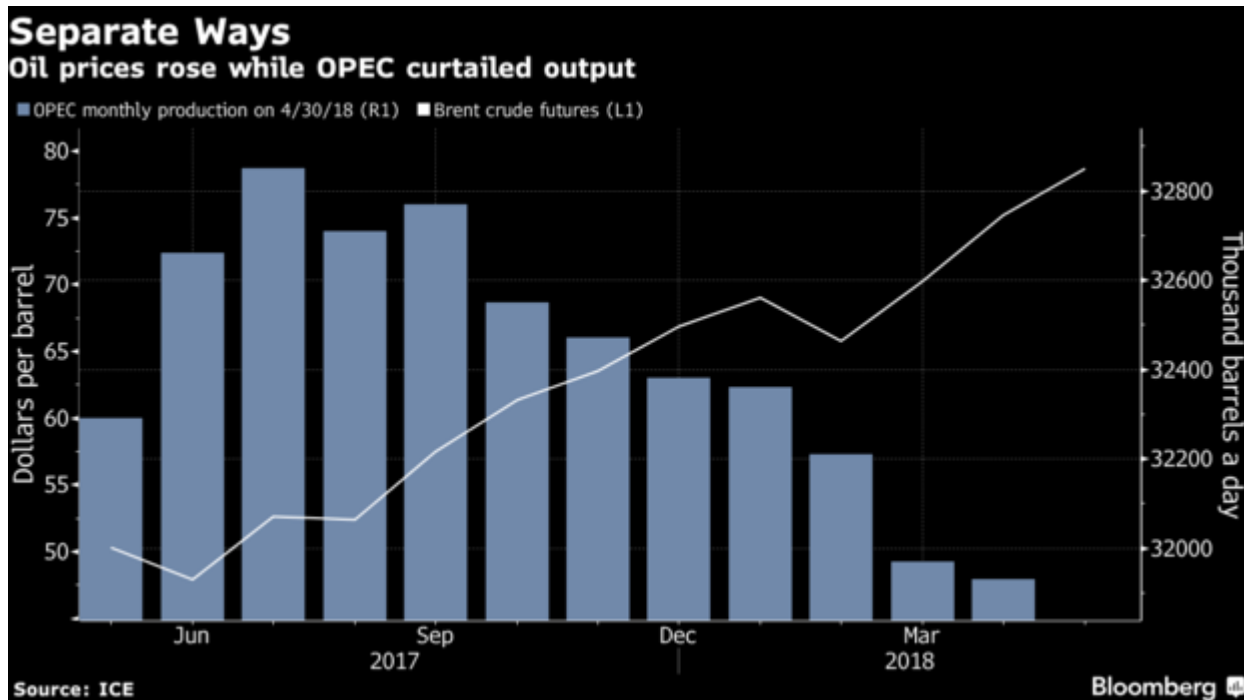
“We were in the meeting in Jeddah, when we read the tweet,” OPEC Secretary General Mohammad Barkindo said on Friday. “I think I was prodded by his excellency Khalid Al-Falih that probably there was a need for us to respond,” he said. “We in OPEC always pride ourselves as friends of the United States.”

To read a story on how consumers are responding higher prices, [click here](#).

Diplomats and oil officials in OPEC countries were also worried about the potential revival in Washington of the so-called “No Oil Producing and Exporting Cartels Act,” which proposes making OPEC subject to the Sherman antitrust law, used more than a century ago to break up the oil empire of John Rockefeller.

The bill first gained prominence in 2007 when George W. Bush was president and oil prices were flirting with \$100 a barrel and made a comeback several years later under Barack Obama. While it was opposed by those presidents, the risk for OPEC was that Trump “could break with his predecessors and support its passage,” said McNally.

In a sign that oil prices were climbing Washington’s agenda as gasoline prices approached the \$3 a gallon mark, last week a sub-committee in the U.S. House of Representatives held a rare hearing on the NOPEC act.



There are also indications that Russia, whose decision to participate in OPEC's cuts helped turnaround the oil market, has decided the rally has run far enough.

"We're not interested in an endless rise in the price of energy and oil," Putin told reporters in St. Petersburg on Friday. "I would say we're perfectly happy with \$60 a barrel. Whatever is above that can lead to certain problems for consumers, which also isn't good for producers."

OPEC and its allies will gather in Vienna for a policy meeting on June 22 to hammer out a deal. While Al-Falih and Russia's Novak have indicated that output will most likely increase, the details – how many barrels from which countries – are still a question mark.

"In an environment of low inventories and rising geopolitical outages, raising some supply is prudent," said Amrita Sen, oil analyst at Energy Aspects Ltd.

Oil producers are debating an increase ranging from 300,000 barrels a day at the low end, backed by Gulf producers including Saudi Arabia, and a larger increase of about 800,000 barrels a day favored by Russia, a person familiar with matter said on Friday.

“It’s too early now to talk about some specific figure, we need to calculate it thoroughly,” Novak said.

Even though Al-Falih’s comments brought about an immediate price reaction, there are still reasons for people to be bullish as traders await the impact of U.S. sanctions against Iran and wider political tensions in the Middle East.

And with global oil demand growing strongly, hedge funds will shift their focus on diminishing global spare capacity as OPEC returns barrels to the market. The U.S. government estimates the cushion at just 1.34 million barrels a day next year, below the 1.4 million reached in 2008 when oil prices surged to nearly \$150 a barrel.

In a letter to investors earlier this month, Pierre Andurand, the bullish oil hedge fund manager, warned that if Saudi Arabia needs to “offset production declines from Iran and Venezuela” global spare capacity would decline to perilous levels.

“Oil prices could potentially surge to record high levels to force demand destruction very quickly,” he wrote.

---

**Looks like OPEC is at it again.**



**Donald J. Trump** ✓

@realDonaldTrump

Looks like OPEC is at it again. With record amounts of Oil all over the place, including the fully loaded ships at sea, Oil prices are artificially Very High! No good and will not be accepted!

11:57 AM - 20 Apr 2018



أرامكو السعودية  
Saudi Aramco



Looks like OPEC is at it again. With record amounts of Oil all over the place, including the fully loaded ships at sea, Oil prices are artificially Very High! No good and will not be accepted!





**Donald J. Trump**   
@realDonaldTrump

Looks like OPEC is at it again. With record amounts of Oil all over the place, including the fully loaded ships at sea, Oil prices are artificially Very High! No good and will not be accepted!

11:57 AM - 20 Apr 2018

---

**Oil at \$100 not to hurt world economy as much as in 2011**



Image processed by CodeCarvings Piczard ### FREE  
Community Edition ### on 2018-05-17 18:13:52Z | |

A general view of the Amuay refinery complex which belongs to



the Venezuelan state oil company PDVSA in Punto Fijo, Venezuela (file). The global economic impact of oil hitting \$100 a barrel won't be as big as when that happened in 2011 thanks to changes in the US. An analysis by Bloomberg Economics estimated that oil touching the triple-digit mark would shave 0.4% off US gross domestic product in 2020, compared with a baseline price of \$75 a barrel. Yet that's less of a hit than in the past because overall price levels have risen, the amount of energy required to produce a unit of economic output has slipped and the US has become less of an oil importer thanks to its shale industry. That mutes the effect of oil price shocks on the world's biggest economy, and in turn on other countries. As such, "\$100 oil won't feel like it did in 2011," and will actually feel "more like \$79" a barrel, economists Jamie Murray, Ziad Daoud, Carl Riccadonna and Tom Orlik found. "With the US still firing on close to all cylinders, the rest of the world would suffer less as well – global output would be down by 0.2% in 2020." The economists also estimated that oil would have to hit \$200 a barrel before seriously stymieing the global economy.

---

## **New Energy era for Europe “there for the taking”**





ATHENS: Offshore gas from the Eastern Mediterranean could usher in a new era of energy independence and economic renaissance for Europe, a regional energy expert told a high-profile industry conference in Athens on Friday.

“Almost instantly, the flow of East Med gas into Europe would mean additional diversification and flexibility of supply, closely followed by enhanced competitiveness for European industry, accelerated economic growth, and dramatic long-term improvements for public finances,” Roudi Baroudi, a veteran of more than 36 years in the oil and gas business, told the Athens Energy Conference.

While “East Med gas would be more of a complement than a competitor to supplies already flowing ... from Russia” and other countries, he explained, other factors were also likely to help Europe diversify its energy supply, putting downward pressure on prices and “reducing the potential impact of possible interruptions elsewhere”.

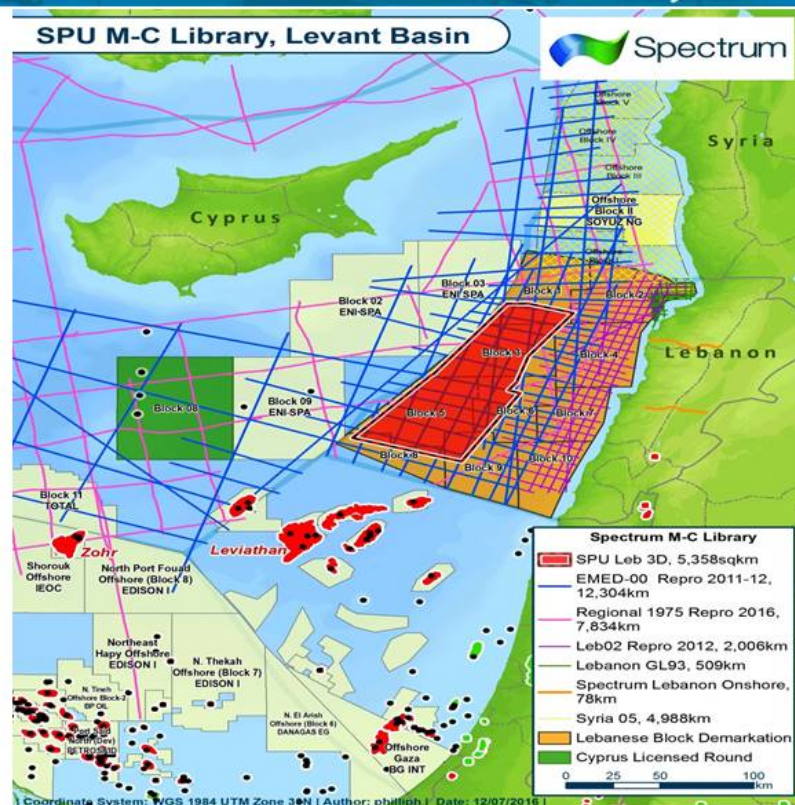
Baroudi, who currently serves as CEO of Energy and Environment

Holding, a Doha-based independent consultancy, has advised governments, companies, and multilateral institutions on energy matters, even helping to craft policy for agencies of the European Union and the United Nations. Speaking on the sidelines of the conference, which drew a broad audience including senior figures from both the public and private sectors, he said the timing “could not be better” for Europe.

“Shale gas has made America another energy superpower alongside Russia and OPEC, and liquefied natural gas is now a fully fledged global commodity,” he said. “Plus, the East Med producers will be sitting on Europe’s doorstep, and several countries are already gearing up to start taking massive LNG shipments. Decades of benefits for hundreds of millions of people, all there for the taking.”

## Athens Energy Forum 2018

Energy Security and Strategic Investments:  
The Way Forward





# Athens Energy Forum 2018

## Energy Security and Strategic Investments: The Way Forward



Game-changer: "Shale O&G puts America on global energy stage"

2

And expected producer countries like Cyprus, Greece, and Lebanon, Baroudi added, stand to gain even more. "For a variety of historical reasons, most of these countries have not yet achieved the levels of development enjoyed in most of the European Union," he told the conference. "Given the potential rewards for their peoples, the governments involved have nothing less than a moral responsibility to take advantage of propitious circumstances by tapping the oil and gas wealth within their respective social, economic, and geopolitical reaches." Baroudi also has emphasized some of East Med countries are not party to UNCLOS but all countries are signatories to the UN Charter. Therefore, Baroudi reminded that all these countries are under an obligation to "settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered."

He also sounded notes of caution, however. For one thing, he

stressed the need for producer countries to ensure proper management of the proceeds from gas sales to pay social justice. For another, he reinstated on the same countries to avoid international tensions that might impede development of the sector.

---

## التنقيب عن النفط برّاً : احتمالات واعدة بكلفة أقل



بحر لبنان وبرّه بانتظار الإفراج عنها.. مع ذلك يحضر الملف النفطي بصمت أحياناً وبصخب أحياناً أخرى، وفي كلتا الحالتين يبقى عالقا... في الدهايز السياسية

قبل إعلان رئيس مجلس الوزراء سعد الحريري استقالته، كانت الحكومة على أبواب إقرار أول عقد تلزيم في البلوكين 4 و 9 وذلك بعد إقفال دورة التراخيص الأولى في 12 تشرين الأول على عرضين مقدمين من ائتلاف يضمّ ثلاث شركات إيني ونوفاتك وتوتال(. وكان من المفترض أن يبتّ مجلس الوزراء هذا الملف ويعطي وزارة الطاقة موافقته لتتمكن من التفاوض مع الشركات. علماً أنّ المفاوضات مع تحالف الشركات المشاركة في دورة التراخيص الأولى للتنقيب عن النفط في المياه الإقليمية اللبنانية، تبدأ من بعد غد الإثنين.

غير أنّ وزير الطاقة لم ينتظر تكليف الحكومة فوقّع دعوة الشركات المشاركة في دورة التراخيص الأولى معلناً ذلك بخطورة التبعات التي

تنجم من عدم المضيّ قدماً في مسار الآلية المقرّرة لاستكشاف الثروة النفطية. رغم خطوة الوزير، التي يراها كثيرون خطوة متسرّعة، يبدو أن تحقيق حلم لبنان النفطي قد أرجئ في الوقت الراهن. صحيح أن الحريري قد تريّث في ما خصّ الاستقالة، إلا أن الأوضاع لا تنبئ بانعقاد جلسة لمجلس الوزراء قريباً لحسم الملفات الكبيرة وعقد الاتفاقات المصيرية.

في ظلّ هذا الوضع هل يُعاد إلى الواجهة التنقيب عن النفط برّاً؟! أبدى لبنان جاهزية تامة لبتّ موضوع استخراج النفط في البرّ، وذلك من خال المسح الذي جرى على امتداد 6000 كيلومتر مربع منذ أكثر من ثلاثة أعوام. المعلومات الجيولوجية التي أصدرتها شركة «نيوس» تسمح بتقييم مخزون النفط والغاز في البرّ اللبناني بشكل مفصّل. وقد أتاح المسح الثلاثي الأبعاد الحصول على مجموعة بيانات جيوفيزيائية لباطن الأرض التي يمكن للشركات لعالمية أن تحلّلها بغية تحديد أماكن وجود النفط والغاز وتطويرهما واستخراجهما. ومع ذلك لم تبتعد المناكفات السياسية من هذا ملف، فيما يستمرّ تخوف الخبراء من تكرار تجربة المماثلة المتمادية التي رافقت إقرار المرسومين المتعلقين باستخراج النفط في البحر وما رتبّه ذلك من ضмор في هذا الملف وانكفاء لعدد كبير من الشركات الدولية التي لم تعد مهتمة بالغوص في الأعماق اللبنانية، وما تبعه من تسرع لناحية إجراء دورة تراخيص واحدة (فيما أجرت قبرص ثلاث دورات تراخيص ولم تحسم هذا الموضوع الدقيق اقتصادياً وسياسياً).

التنقيب البرّي أقل كلفة بحسب الخبير النفطي والاقتصادي رودي بارودي، «فإنّ تحاليل البيانات قد أظهرت تكاملاً في النظام البترولي من الناحية الجيولوجية فلماذا لا يباشر لبنان بإجراءات التنقيب البرّي؟ عمليات حفر الآبار النفطية التي حصلت في أربعينيات القرن الماضي ثبتت وجود مكان نفطية، إضافة إلى الاستكشافات التي تمت في سوريا وفلسطين والتي يشكل لبنان استمراراً لها، كلها دلائل تؤكّد وجود مكان نفطية. إلى ذلك، كلفة التنقيب والتطوير في البرّ، أقلّ من خُمس (5/1) الكلفة بحراً، ما يشكل عنصر جذب لشركات متوسطة الحجم. من هنا لا بدّ من عدم المماثلة في هذا الملف الحيوي لتجنب تكرار تجربة البحر. فالاهتمام بالبرّي يؤدي إلى زيادة التنافس بين الشركات، ما يُعطي الدولة قدرة تفاوضية أعلى تؤدي إلى تعظيم المنفعة، فضلاً عن سهولة مشاركتها في الأنشطة البترولية برّاً بسبب «الكلفة المتدنية مقارنة مع البحر».

## تاريخ التنقيب البرّي

ليس التنقيب عن البرّ في لبنان أمراً مستجداً. بل إنّ التوقعات عن احتمال وجوده تعود إلى منتصف الأربعينيات، وقد بدأت حينها محاولات حفر بئر تجريبية في المنحدر الغربي في جبل تربل شمال مدينة طرابلس. آنذاك اكتشفت الشركة المنقّبة موادّ بترولية ثم طمرت البئر من دون أن تُعرف الأسباب. بين الأعوام 1948 و 1966 تم حفر سبع آبار غالبيتها في منطقة البقاع قبل أن يقفل هذا الملف بسبب الأوضاع السياسية من جهة، وعدم توفر إمكانيات لإجراء الدراسات اللازمة. ولكن، رغم الاكتشافات، والإثباتات لا يزال لبنان غائباً عن الساحة النفطية، فيما يُفترض أن يكون معنياً بكل ما يحصل من حوله.

عن الإطار القانوني، تقول المحامية والمتخصصة في قطاع النفط والغاز كرستينا أبي حيدر: «هنالك مشروع قانون للتنقيب البري وهو موجود لدى اللجان المختصة لكن إن لم يُقرّ في وقت قريب فلماذا لا تُعتمد القوانين المرعية الإجراء التي، بالرغم من قدمها، من الممكن أن تسد الفراغ إن أُجريت التعديلات اللازمة. القانون الجديد ينبغي أن يحتوي على نقاط قانونية هامّة إذا ما أردنا مواكبة التطور الاقتصادي والاجتماعي لا سيما في ما يتعلق بتنظيم عمل الشركات، ومسألة الإشغال الموقت للعقارات أثناء عملية الاستكشاف البرّي، من ثم الاستملاك إذا تم اكتشاف حقل نفطي. كل هذه الأمور تحتاج إلى مقاربة استباقية وسريعة. فالملكية الفردية مصونة في الدستور اللبناني فإمكان نزعها إلا بموجب مرسوم منفعة عامّة ولقاء تعويض عادل. إلى ذلك، قد تظهر عقبات إضافية هي المحافظة على الآثار وعلى المواقع الطبيعية والمياه الجوفية والثروات الطبيعية الأخرى، كل هذه التحديات قد تعوق عمليات التنقيب أو تدمّر التراث الوطني لذا يجب سنّ قوانين وقائية وردعية». وتتابع أبي حيدر «من غير الممكن الحديث عن النفط البرّي دون ذكر دور البلديات كسلطة محلية منتخبة وعلى تماسّ مباشر مع المشاكل اليومية، لذلك من المفترض إيجاد منظومة تشريعية ترعاها لكونها المعني مباشرة بإدارة الثروات الطبيعية. ومن الضروري أن توضع القوانين الواضحة قبل البدء بأيّ عملية تنقيب، مع دراسة التجارب السلبية والإيجابية في الدول الأخرى لنعرف كيف نستفيد منها ولنأخذ مثلاً الأثر البيئي الذي تؤدي في تطبيقه البلديات دوراً أساسياً. للأسف، حتى الساعة لم يُفتح النقاش في لبنان على نحو واسع وعميق حول دور البلديات، سواء على صعيد الآثار البيئية أو الاقتصادية أو الاجتماعية أو حتى إيجاد فرص عمل جديدة، وإيجاد مدخول جديد

« . للبلديات ولاتحادات البلديات

وتضيف « أن » التجارب العالمية تشجع الشركات الصغرى والمتوسطة في عملية التنقيب البري، ومن المفترض أن يحذو لبنان حذو الدول الأخرى التي تمتاز بخبرات عالية في إدارة مجال النفط والغاز البري، و ألا يسمح للشركات الكبرى بأن تنفرد بهذا القطاع وتبتلعه، ولا يمكن لذلك أن يتم إلا من خلال مراقبة علمية ودقيقة لعمل الشركات المنقّبة». منذ أكثر من أربعة أعوام يزعم المسؤولون عن هذا القطاع أن « عملية التنقيب عن النفط البري يمكن أن تبدأ في وقت قريب، بما أن » العوائق التي تؤخر العمل بحراً غير موجودة. لكن يبدو أن « هذا الوقت القريب لن يحين حتى من أجل وضع منهجية واضحة لطريقة العمل. فهل كل » العراقيل المفتعلة « أحيانا الظروف المستجدة أحيانا » أخرى إشارة إلى أفضلية أن تبقى هذه الثروة مدفونة لئلا تتسبب في إغراقنا في المزيد من الفساد والمحاصصة؟

## بارودي: الجدول الزمني للإمتيازات البرية أقل من البحري



قدّم الكثير لتطوّر القطاع وتقريب الدول " Margerie" DE  
بارودي: الجدول الزمني للإمتيازات البرية أقل من البحري



المركزية- أعرب الخبير الإقتصادي في شؤون الطاقة رودي بارودي عن أسفه الشديد لغياب رئيس مجلس إدارة شركة "توتال" العالمية الرجل الذي قدّم الكثير لتطوّر هذا "Christophe de Margerie القطاع وحاول التقريب في ما بين الدول"، مثمّنًا "رحيله وهو يقوم بمهامه كرئيس "توتال" إذ كان يحاول تذليل المزيد من الصعوبات التي يواجهها القطاع عموماً و"توتال" خصوصاً ، وتحقيق إنجازات جديدة لشركته

من جهة أخرى، شرح بارودي لـ"المركزية"، بعض النقاط المتعلقة بآلية التنقيب البري والبحري عن النفط والغاز في لبنان، وشدد في هذا السياق على أبرز المحاور التي تشكّل أولوية في هذه العملية، وهي:

أولاً: على الحكومة فصل القانون البري وآلياته عن عملية التنقيب - البحري.

ثانياً: إعداد خارطة طريق واضحة وشفافة للإمتميازات البرية -

وأضاف: يظهر أن مع نهاية العام الجاري، ستتوفر لدى غرفة البيانات حول D في وزارة الطاقة والمياه، كامل صور ودراسات 3 (Data Room) Transitional Zone (الشاطئ) E & P باطن سطح الأرض لشركات الـ وذلك من أجل شراء البيانات وفحصها قبل البدء بالإلتزامات البرية. الحالية فسيتم دمجها في مشروع المسح D أما الخطوط الزلزالية 2 "الجوي، عبر قياسات متعددة

وقال رداً على سؤال: إن الجدول الزمني للإمتميازات البرية سيستغرق فترة زمنية أقل بكثير مما تتطلبه الإمتميازات البحرية، إذ في الإمكان البدء بالحفر (الإستكشاف) وتنفيذه في وقت أسرع مما هو عليه في الآبار البحرية

وأكد أن "الإلتزام البري للشركات يُفترض أن يُحدّد لمدة ثلاث سنوات، ويمكن أن تشمل الإمتميازات في هذا المجال، بين ثلاثة وخمسة آبار على الأقل وبميزانية أقل من تلك المخصصة للآبار البحرية"، وأعطى مثالاً على ذلك، "خمسة ملايين دولار للآبار البرية، في مقابل 125 مليوناً للآبار البحرية البعيدة من الشاطئ، أما المدة فتتراوح بين شهرين وأربعة أشهر للأولى، في مقابل ستة أشهر وسنة للثانية

وفي المقلب الآخر، شدد بارودي على "ضرورة تقسيم المياه البحرية الخاضعة للولاية القضائية اللبنانية، إلى مناطق بشكل رُقّع، على أن

يتم الانتهاء من نموذج "اتفاقية الإستكشاف والإنتاج" في أسرع وقت،  
بالتزامن مع مرسوم دفتر الشروط والإفادة من التراخيص البحرية

وقال: يبقى الأهم التوافق السياسي على هذا المشروع المستقبلي  
الضخم، والإفادة من دعوات رئيس المجلس المتكررة إلى الحوار  
والحفاظ على الأمن والإقتصاد على السواء

وأخيراً ، أثنى بارودي على "الدور الرائد الذي تقوم به "هيئة  
إدارة قطاع البترول في لبنان" وتنظيمها للمؤتمر المنعقد في  
"بيروت، والذي سيطلق آفاقاً جديدة في عملية التنقيب عن النفط

---

## Roudi Baroudi's remarks on the sidelines of New York Times Athens Energy Forum NYT Conference 2017





February 2, 2017

My purpose here is to update you on progress at the eastern end of the Mediterranean – namely some new steps taken by the government of Lebanon to get its nascent energy sector off the ground.

As you may recall, Lebanon has wasted a lot of time in the past few years. Cyprus recently held its third licensing round, and others have gone even further: Israel, for instance, is already drilling, and while internal legal and policy battles have slowed some aspects, Israeli negotiators have aggressively pursued export or transit deals with other countries – including both Jordan and Turkey.

In Lebanon, things have been very different. A long-running political struggle left the presidency vacant for more than two years, the Parliament granted itself two extensions totaling almost three years without new elections, and the Prime Minister and Cabinet served in a de facto caretaker capacity because of widespread perceptions that they lacked legitimacy.

Even before this breakdown of the constitutional order, rival political camps were so mistrustful of one another – and so evenly matched – that little headway could be made because each side blocked the other's initiatives.

Luckily, even with these paralyzing conditions in effect, some preparatory steps were taken. The Lebanese Petroleum Administration was established in 2012, and while

dysfunctional politics delayed everything from the onset of its legal authority to the recruitment of qualified personnel, the LPA managed to lay much of the necessary groundwork. The idea was that once the politicians stopped bickering, all of the rules, regulations, and policies would already be in place, so the country would have the wherewithal to start playing catch-up.

I'm happy to report that there has been significant improvement. A new president has now been elected by Parliament, and his genuine support – both in the legislature and among the general population – is more broad-based than many of his predecessors. A new Prime Minister has also been installed, and since this was part of the same deal that allowed the presidency to be filled, he and his Cabinet enjoy relatively strong acceptance. Perhaps most importantly, the long-delayed parliamentary elections are due to be held in June, and while the usual debate is taking place about the rules under which those polls should take place, there is general optimism that they will be held “on time”.

Best of all, the Lebanese Petroleum Administration has taken this momentum as a signal to start activating the energy sector. Last month it took a decisive step in this direction by initiating the country's first licensing round, inviting bids for offshore exploration in five of the 10 blocks it has delineated in Lebanon's Exclusive Economic Zone (EEZ). Nonetheless, the process will not be a simple matter of “plug and play”, but this time the obstacles are external.

Again, the LPA has done a lot to make sure all the necessary mechanisms are in place or ready for installation, including tender procedures and draft terms for the fiscal regime. And at least two of the five blocks being licensed should be relatively straightforward: Block 4 lies entirely within Lebanon's EEZ, directly off the coast, and Block 1 lies in the northwest corner of Lebanon's EEZ, where its demarcation has already been agreed with both Cyprus and Syria. Those

interested in these blocks will know exactly what they're bidding on, and the successful bidders and their partners free to get on with the business of modern exploration work without other distractions.

Blocks 8, 9, and 10, on the other hand, are a different matter altogether because all three are in the south, where Lebanon's maritime claims overlap with those of Israel. At issue is a relatively small area of about 840 square kilometers, less than 5% of Lebanon's EEZ and an even smaller slice of Israel's. Under normal circumstances, the conflicting claims would likely have been negotiated away with relative ease, but Lebanon and Israel have no diplomatic relations and have remained in a legal state of war – with frequent outbreaks of actual hostilities – for almost 70 years despite the 1949 armistice.

The situation is not irrecoverable, however, and both the United States and the United Nations have worked hard to broker a consensus by holding separate talks with Israeli and Lebanese officials. What is more, whatever the intractability of their other differences, on this score at least both sides have a clear and compelling interest in avoiding any kind of conflict that interferes with the development of their energy reserves. All of the region's emerging producer countries stand to make substantial revenue gains, allowing game-changing investments in health, education, transport, and other areas whose impact will be felt for decades, even centuries.

It all comes down to mathematics: there is simply too much money at stake, meaning that in addition to the lives that would inevitably be lost, the direct financial and opportunity costs of another armed confrontation would be exponentially greater than the price-tags attached to bombs and missiles.

The numbers don't lie, so there is reason for optimism that the EEZ issue will be resolved before it impedes exploration

activities. In addition, if and when cooler heads prevail and some kind of understanding on indirect cooperation (or even non-interference) is reached, the resulting dividends will go far beyond Dollars, Euros, Pounds or Shekels – and the effects will be felt far beyond the Mediterranean.

Cheap, clean, and reliable natural gas supplies from the Eastern Med would also significantly enhance energy security for Turkey, the European Union, and other countries. For Europe in particular, it would be a new lease on life, restoring the competitiveness of the Continent's economy and providing consumers with lower prices for energy and a long list of other goods and services. And for both the MENA region and other parts of the world haunted by conflict or the threat thereof, an East Mediterranean gas boom made possible by sober diplomacy would set an encouraging – and highly lucrative – precedent.

These manifold and far-reaching benefits mean that numerous local and outside actors will want the same thing in the Eastern Med: stability. Cyprus, for instance, figures to be a linchpin for the entire regional gas economy, but it can only play that role to the fullest if it achieves reunification after more than 40 years of division. Each of the main external players on the island – Britain, Greece, and Turkey – also has good reason to want tensions reduced, and Russia's growing presence in the region (including investment offshore each of Cyprus, Syria, and Egypt) gives it a vested interest in a more predictable region. American companies are also present, and literally no one better understands what is at stake than the incoming US secretary of state, former ExxonMobil boss Rex Tillerson.

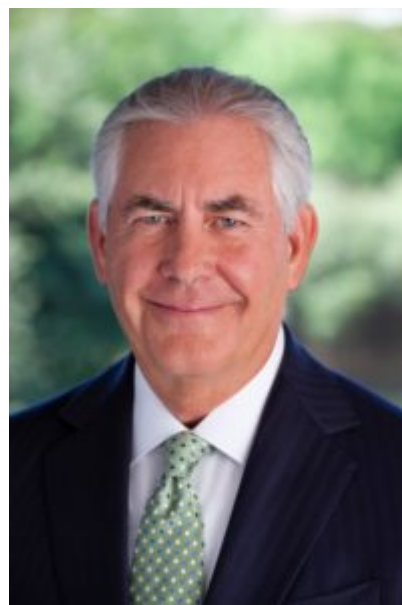
Of course, there is still much for Beirut to address, including the structure and management of an effective and transparent Sovereign Wealth Fund to safeguard future energy revenues. There is also the matter of determining the true size of its offshore treasure, but all signs from exploration

under way off Cyprus and Israel – plus the discovery of Egypt's massive Al-Zohr gasfield – suggest that Lebanon is on the verge of a historic windfall. In fact, some 2-D and 3-D studies already indicate that the country's hydrocarbon potential outstrips those of its immediate neighbors.

At this point, all Lebanon needs to do is play its cards right: avoid unnecessary confrontations with Israel, follow international best practice for safe and environmentally responsible oil and gas development, and protect the ensuing revenues against nepotism, waste, and other forms of mismanagement. So long as it makes itself a stable platform, investment will come and a better future will almost certainly follow.

---

## **Così Cipro unita aiuterebbe tutto il Mediterraneo**





**il Giornale.it** mondo

Uno dei fattori chiave che hanno permesso a Donald Trump di vincere a novembre è stata l'enorme voglia di cambiare la



politica interna.

Eppure la sua presidenza può offrire enormi opportunità anche per quanto riguarda la politica estera e Cipro, insieme al resto dei Paesi dell'Est Mediterraneo, potrebbero così essere tra i primi beneficiari della politica estera di Trump.

L'isola è divisa dal 1974, nonostante i vari tentativi di riunificazione. Trump non è il primo presidente a seminare speranze per Cipro unita, ma questa volta, dopo molti anni, ci sono seri motivi di credere che un accordo totale ed equo è possibile.

Prima di tutto la figura di Trump. È la prima volta che nella storia americana sale alla Casa Bianca qualcuno di così fundamentalmente diverso rispetto ai suoi predecessori. Molti studiosi si sono focalizzati sulle ripercussioni negative che la politica di Trump porterebbe, ma allo stesso modo sono in vista cambiamenti positivi.

Inoltre, a pesare in senso positivo, c'è la nomina del segretario di Stato. Benché Rex Tillerson abbia una scarsa esperienza nel governo, ha lavorato per dieci anni alla ExxonMobil, una compagnia con 75mila dipendenti, che opera in duecento Paesi. Prima ancora ha personalmente seguito e guidato il processo attraverso cui ExxonMobil ha raggiunto la sua invidiabile posizione in Russia, il più grande produttore di energia del mondo. Insomma, un curriculum che la dice lunga sulle sue capacità.

E non da ultimo c'è la tempistica. Cipro sta costruendo molto rapidamente il suo polo energetico regionale per l'est Mediterraneo. Dalle recenti attività di esplorazioni è stata confermata la presenza di depositi di gas naturale.

Questo sviluppo energetico di Cipro potrebbe essere un perno di vitale importanza, primo per la sua posizione geografica, insieme alla sua posizione geostrategica, e per il fatto di essere membro dell'Unione Europea e, non da ultimo, per lo

sviluppo industriale della regione.

Molti protagonisti si sono già messi in gioco, incluso la ExxonMobil che, insieme al Qatar Petroleum, il più grande produttore di gas naturale, si è assicurata i diritti di esplorazione del Blocco 10 del Cyprus Exclusive Economic Zone. In campo c'è anche Rosneft, una delle compagnie di energia più importanti della Russia, e Soyuzneftegaz, un'altra compagnia russa.

In questo delicato momento storico, Cipro trarrebbe ovviamente grandi vantaggi da una riunificazione. Prima di tutto, evidentemente, attrarrebbe più investitori. Se il riavvicinamento tra il presidente russo, Vladimir Putin, e il turco, Recep Tayyip Erdogan, continua così come sostengono molti osservatori, sarà più facile portare avanti una negoziazione positiva. E questo ci fa tornare alla nuova amministrazione americana. Sia l'Unione Europea che l'Onu si sono impegnate a cercare un'intesa su Cipro ma per superare l'ostacolo «dell'ultimo miglio» potrebbe venir richiesto un impegno americano più intenso.

Cipro unificata, che diventa un polo regionale dell'energia sarebbe così un vantaggio non solo per se stessa ma ridurrebbe le tensioni tra Ankara e Atene, e tutti i Paesi vicini del Mediterraneo avrebbero vantaggi dalla stabilità ritrovata, incluso più turismo e più investimenti.

Un discorso non certo facile da realizzare: il processo di unificazione non è facile da raggiungere. Ecco perché una volontà solida dei protagonisti è così fondamentale; le potenziali ricadute positive derivanti dal settore energetico di Cipro potrebbero essere così più forti delle rimanenti obiezioni. È quindi tempo di dare un'opportunità costruttiva e dare un regalo di pace prima a Cipro poi ai paesi del Mediterraneo.

**Roudi Baroudi**

Ceo della Energy & Environment Holding, basata in Qatar