

US OFFICIALS VISIT EAST MED TO ASSIST WITH ITS EMERGENCE AS AN ENERGY POWER

US Secretary of State John Kerry visited Lebanon last week where he met with Parliament Speaker Nabih Berri. Kerry announced to Berri that the US will be providing Lebanon with a financial aid to ease the burden created by the Syrian influx of refugees to Lebanon. Lebanon is providing sanctuary to over a million and a half Syrian refugees, a reality that is tremendously affecting Lebanon and causing authorities a major concern.

The impact of the immigration is felt on a political, economic and security level. Kerry stressed on the importance of putting an end to the current political stalemate by electing a new President in the shortest delay. President Michel Suleiman's six-year term ended last month. Lebanese politicians failed to agree on a successor since. Berri in turn expressed its hope that the U.S. will play a 'fair and balanced role' in mediating the Israeli-Lebanese dispute over maritime boundaries. Berri added that the U.S. could potentially benefit from such efforts as they could be involved in Lebanon's offshore hydrocarbon explorations. Lebanon's seabed is believed to contain substantial amounts of natural gas.

Its first licensing round was postponed several times due to domestic political rivalries and is now scheduled to be opened in August 2014. Lebanon and Israel both claim a triangular area of 850 square kilometers as their own. Direct negotiations between the two countries are inconceivable due to the fact that Lebanon and Israel are in a state of war and that Lebanon does not recognize Israel.

The dispute gained importance after the discovery of substantial natural gas reserves in the Levant basin. Noble Energy discovered the Leviathan field and the Tamar field offshore Israel located respectively 130 and 80 kilometers west of Haifa with respective gross mean resources of 19 and 10 Tcf. Noble also made a successful encounter in Block 12 of Cyprus EEZ when it discovered the Aphrodite field, the third largest discovery in the deepwater Levantine Basin with a gross mean resources of 5 Tcf. John Kerry's visit to Lebanon follows Joe Biden's visit to Cyprus.

Biden met with the President of Cyprus Nicos Anastasiades to whom he stressed on the importance of Cyprus emerging as a net gas producer. The presence of the two senior U.S. officials in the Eastern Mediterranean Lebanon in the Eastern Mediterranean highlights the increasing importance of this region in the energy scene and Washington's pledge to help solve the various disaccords. The Russian annexation of Crimea reminded Europe of its pressing need to diversify its geographical sources of supply. The Eastern Mediterranean could play a role in strengthening Europe's energy security and the U.S. are investing efforts in this direction