

**Address of Ambassador Angelina Eichhorst  
Head of the Delegation of the European Union to Lebanon**

**Lebanon International Oil and Gas Summit**

**Phoenicia Hotel, Beirut  
Monday, 3<sup>rd</sup> of December 2012**

*CHECK AGAINST DELIVERY*

H.E. Mr. Gibran Bassil, Minister of Energy and Water,  
H.E. Mr. Mohamad Safadi, Minister of Finance,  
Mr. Solon Kassinis, Director of Energy Service, representing H.E. Mr.  
Neoklis Sylikiotis, Minister of Commerce, Industry and Tourism,  
Cyprus,  
Distinguished participants,

For the last two years the EU has taken a considerable interest in the gas and oil resource exploration that is under way in the Levant Basin. These discoveries could entail promising new opportunities to the Lebanese economy and ultimately to the Lebanese people.

We very much hope that the emergence of Lebanon as an oil & gas producer will be harnessed to the positive benefit of the country as a whole. It is an all too common tale around the world that natural resources have proven to be a curse rather than a blessing. Too often,

their exploitation has brought with them conflict, corruption, environmental degradation.

The Lebanese government surely will take all necessary steps to avoid this. To develop a sector that is transparent, and works for the common good, for long-term national interest and for the environment globally. To develop the capacity to handle the competing and often strenuous demands of international oil companies.

In concrete terms, this means that on an institutional level an efficient Petroleum Authority must be able to take decisions independently, transparently and in the national interest of all Lebanese.

Let me congratulate the six recently appointed members of the future Petroleum Authority, and wish them all the success in undertaking their important duties. You probably don't need reminding that all of Lebanon – and many beyond- are looking expectantly at you!

Then there is the legislative package which is to ensure that offshore oil and gas production will respect highest standards in terms of safety, health and environment protection. The long term state of the Lebanese and Mediterranean environment depends on important decisions taken today. The licensing for searching, drilling for and producing oil is another challenge, for the sake of a competitive, non-discriminatory and transparent market that improves the security of supply.

Energy cooperation can foster stability and prosperity. It is with these objectives in mind that the European Union hopes that Lebanon can gradually move on from energy scarcity to energy independence: From fully covering domestic demands to becoming exporters for the region, Europe and other parts of the world.

This would not only be vital for domestic socio-economic development, but could also pave the way to position the country as a key partner of a "Mediterranean energy community" in the future.

Evidently, exploration and development of the oil and gas resources face some considerable political risks. But discoveries are taking place at a time when global demand, in particular for natural gas supplies, is increasing. In Europe, gas demands only will reach 550-600 tcm per year by 2020. Our gas dependency will reach 75% in 2020.

Europe is looking to meet its future energy needs by developing indigenous primary energy resources, both fossil and renewable, but for the next ten to twenty years we will require sustainable growth in both oil and gas imports.

To what extent could Eastern Mediterranean oil and gas contribute to the diversification of the EU's oil and gas supplies? Cyprus and Israel already engaged in a pro-active export strategy. With Turkey, in a

separate energy dialogue, we work on a positive agenda as part of the accession talks.

In parallel, cooperation programmes are in place to support the convergence of energy markets to the principles of European Union's internal energy market, taking into account the particularities of the involved countries. The EU-funded "Euro-Arab Mashreq Gas Market" project – which unfortunately had to be suspended due to the events in Syria – had started to support the development of an integrated gas market between Lebanon, Egypt, Jordan and Syria with the clear objective of creating a regional gas market and gradually move towards integration with the European Union gas market. We will thus need more imports.

Ladies and Gentlemen, hydrocarbon discoveries should not make us forget the importance of ensuring ongoing commitments to slow down the process that lead to climate change. Moving towards renewable energy production and greater energy efficiency is the only truly sustainable way forward. The rising frequency of natural disasters, rising air pollution levels in chronically congested cities and the alarming effects on human health remind us that we can no longer afford to postpone our engagements towards combating climate change and a paradigm shift in energy production. However large the opportunities from gas exploitation may be, renewables should be developed as well.

I wish you a fruitful event.

Thank you