
TOTAL, ENI STAKE NEW CLAIM IN CYPRUS GAS AND OIL SEARCH

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Energy giants Total and Eni have joined forces to explore and exploit another oil and gas block up for grabs offshore from Cyprus, Cypriot authorities said Wednesday (18 September).

The agreement makes Frances Total and Italys Eni the biggest players in the Mediterranean islands energy search, holding exploration licenses for seven of the 13 blocks. Koreas Kogas is also a partner in three of those concessions.

Last year, Cyprus invited Total and Eni to bid for unclaimed block 7 of its Exclusive Economic Zone (EEZ) and on Wednesday contracts were signed giving them an equal 50 percent share in the venture.

Cypriot Energy Minister George Lakkotrypis called it an important development as it widens the presence of international companies in Cypruss EEZ while strengthening the governments strategic partnership.

Around nine exploration drills are expected over the next 24 months in the various blocks off the southern coast.

Nicosia decided to proceed with exploiting block 7 after finding that a preliminary gas discovery in adjacent block 6 is thought to extend into it, said Lakkotrypis.

Eni is the operator of Block 6 with a 50% participation interest and Total has the other 50%.

The Calypso field is considered by Eni to be a promising gas discovery. The discovery of nearby Egypts huge Zohr offshore reservoir in 2015 has stoked interest that Cypriot waters may hold the same riches.

Turkey, which invaded the northern part of the Mediterranean island in 1974, is opposed to Nicosias energy exploration plans and wants a say in the development of hydrocarbons in the region.

Cyprus has pushed ahead with exploring for offshore energy resources despite the collapse in 2017 of talks to end the countrys decades-long division.

That has angered neighbouring Turkey, which has had troops stationed in the country since the invasion and occupation of the northern third of the island in response to a coup sponsored by the military junta then ruling Greece.

Earlier this year, Ankara dispatched two drillships inside Cyprus designated EEZ, raising tensions.

EU threatens Turkey with sanctions over Cyprus drilling

The European Union is set to curb contacts and funding for Ankara in retaliation for what it calls Turkey's illegal drilling for gas and oil off Cyprus and stands ready to ramp up sanctions further, according to a draft statement.

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Washington and Brussels have urged Turkey to withdraw its vessels from Cypriot waters, with the European Union imposing sanctions on Turkey for its confrontation with EU member state Cyprus, a country Ankara does not recognise.

In February, ExxonMobil and Qatar Petroleum made a world-class discovery of natural gas quantities of 5 to 8 trillion cubic feet – the biggest find to date.

Texas-based Noble Energy in 2011 made the first discovery off Cyprus in the Aphrodite block estimated to contain around 4.5 trillion cubic feet of gas – it has yet to be commercialised.

Cyprus aims for natural gas to start flowing to Egypt's LNG facility in 2025 via a pipeline from Aphrodite, which would generate its first revenue from natural gas in the same year.

Kaynak/Source: