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# ENERGY BRIEF

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Energy Program

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## **SYRIA LAUNCHES OFFSHORE LICENSING ROUND**

Syria's Ministry of Petroleum and Mineral Resources and the General Petroleum Corporation (GPC) on March 24 announced the launch of a licensing round for three offshore blocks in the East Mediterranean.

The International Offshore Bid Round 2011 covers a total area of 9,038 square kilometers with Block 1 covering an area of 3,176 square kilometers, Block 2 covering 2,977 square kilometers and Block 3 covering 2,885 square kilometers. The blocks begin 5 kilometers off Syria's Mediterranean shoreline.

GPC announced on its website that the tender book document includes a technical part, basic contractual and commercial conditions and the production sharing contract (PSC) model agreement. International oil companies (IOCs) that have already prequalified with the Syrian government need not do so again, but those that have not must submit all financial and technical qualification documentation and complete a questionnaire by August 1.

The tender book can be obtained for €1,000. Those firms wanting to participate in the bidding must also obtain the 2D seismic survey data and interpretation report from Wavefield Ineis, a subsidiary of CGGVeritas, which is providing technical support.

A bid bond of €150,000 will have to be submitted for each block bid upon. The bid round will close on October 10 this year.

This is Syria's second attempt to license its offshore territory. The results of a 2007 bid round failed to attract much attention. Only Dubai's Dove Energy placed a bid. However, the recent successes offshore Israel in the Levant Basin are expected to renew interest in Syria's offshore, which lies in the northern section of the basin.

Jim Martin, CGGVeritas vice president for multi-client and new ventures, said in a company statement announcing the Syrian bid round that the data his company has gathered "shows key seismic indicators including bright spots, flat spots, gas chimneys and dimming, which point to the presence of an active petroleum system."

CGGVeritas said it will co-host a roadshow with the Syrian government in Damascus, London and Geneva for companies interested in the official data. It said central to this project is 5,000 kilometers of long-offset multi-client 2D seismic data acquired by CGGVeritas in 2005 in water depths ranging from 500 to 1,700 meters. It added that a minimum of 3,000 kilometers of this data must be licensed by companies interested in participating in the bid round.

Meanwhile, the Syrian government is expected soon to announce the award of contracts resulting from a 2010 onshore bidding round for eight blocks. Thirteen companies have placed bid, seven of which are already active in Syria.

Syrian crude oil production is currently around 390,000 b/d, down from its peak of 600,000 bpd in 2009. The government is keen to reverse this trend.