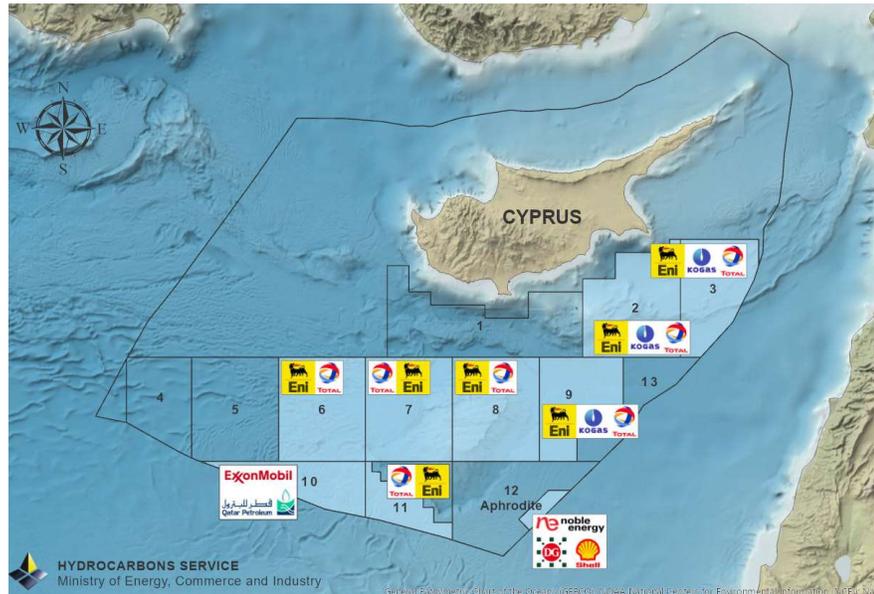




Oil and Gas developments in Cyprus



Recent Oil & Gas activities in the Eastern Mediterranean have revealed the possibility of new significant hydrocarbon resources in the area and also within the Cypriot EEZ. The discovery of hydrocarbons in Cyprus' EEZ has created new exciting prospects in the region and new business opportunities. The strategic location of the island can play a key role to connect regional markets, while contributing to Europe's energy security.

Exploration

The Cyprus Exclusive Economic Zone covers an area of 51,000 square km.

Multi-client seismic surveys available from PGS:

- Approximate 19,000 line-km of 2D covering the whole of the Cyprus' EEZ
- Approximate 13,000 square km of 3D data in Blocks 3, 6, 8, 9, 10 and 11

Data available from the Hydrocarbons Service, Ministry of Energy:

- Seismic Interpretation Reports
- Additional 2D and 3D seismic data in Cyprus' EEZ

Discoveries

Aphrodite Gas Field

In 2011, the first exploratory well in Block 12 resulted in a significant gas discovery, which following appraisal work is estimated to have a mean value of recoverable volumes of 4.1 TCF

Calypso Gas Field

In 2018, ENI discovered Calypso in Block 6. The well encountered a gas column in rocks of Miocene and Cretaceous age. The discovery is undergoing evaluation.

Glaucus Gas Field

In 2019, ExxonMobil discovered Glaucus in Block 10. Based on preliminary interpretation of the well data, the discovery could represent an in-place natural gas resource of approximately 5 to 8 TCF

Resource Monetisation

Aphrodite Development Plan

In 2015, the Block 12 Contractors declared the Aphrodite field a commercial discovery and submitted a Field Development and Production Plan (FDPP).

The FDPP is based on a floating processing facility located above the field with an export pipeline to Egypt, with LNG export terminals the most likely market route. In 2018, an Inter-Governmental Agreement (IGA) was signed by Cyprus and Egypt concerning a pipeline to carry Cypriot gas to Egypt. In 2019 the FDPP was approved and an Exploitation Licence was issued to the Block 12 Contractors. First gas from Aphrodite is expected by 2025.

Major Regional Hydrocarbon Plays

Cainozoic siliciclastic play in the Levantine basin

- Leviathan, Tamar, Aphrodite discoveries: ~40 TCF gas discovered; more potential

Carbonate platform play on Eratosthenes Continental Block (ECB):

- Zohr field discovery: ~30 TCF gas discovered
- Calypso discovery: Multi TCF of gas (evaluation ongoing). Proves existence of Carbonate platform play within the Cyprus EEZ;

Cainozoic siliciclastic play in Herodotus basin

- Similar discoveries in distal Nile Delta offshore Egypt, possible DHI's.

Lower Cretaceous siliciclastic play in the Levantine basin

- Lower Cretaceous sands are exposed onshore Israel, Lebanon and Cyprus but have not been tested by wells in the deep Levantine basin.



Development and Production Studies

Planning for successful asset development requires that optimised production is targeted towards a suitable market, with a long-term gas sales agreement in place. An essential part of hydrocarbon commercialisation studies is the feasibility assessment of any upstream development, taking into account the different aspects of the value chain.

The new discoveries in the region are found in deeper water relatively far from the regional markets and the existing export facilities. An important part of the ongoing studies is to identify potential regional synergies and emerging technology developments and investigate their impact on development plans.

Marketing and Monetisation

The Eastern Mediterranean Basin is growing and maturing into a hub. Key contributors to this development are: Significant Discoveries, Growing Demand, Availability of Export Infrastructure and the need of nearby markets for Diversification of Supply (e.g. EU).

Commercial analysis of hydrocarbons requires regular assessment of all aspects of the global and regional energy market functioning (Pricing dynamics, Supply, Demand, Midstream costs and Regulatory Developments). Input from the markets combined with Technical input (costing and resource evaluation) form the basic pillars of our economic modelling for any development which we test under various scenarios to ensure projects pass key economic hurdles.

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