# Ready for prime time

**With some of the biggest recent gas discoveries on its doorstep, the Southern and Eastern Mediterranean could be prime to grow into a gas export hub – if the countries in the region can cooperate. EIC's Andrew Scutter sets the scene.**

**Installation operations at West Nile Delta.** Photo from BP.

The downturn in the oil and gas industry over the past couple of years has led to a decrease in offshore developments. However, the Eastern Mediterranean has been the anomaly, seeing an increase in activity which has offered significant opportunities to the supply chain. This activity is a esult of successful exploration of the Eastern Mediterranean ontinental Shelf. Several major gas discoveries have been ade across Egypt, Israel and Cyprus that, once in production, ill surpass domestic needs and allow the region to become a ıb that can feed into the European gas market.

arly 2015, after years of delays, BP's US$12 billion West Nile ta development in Egypt, the biggest project in the region, lly received the green light. BP fast-tracked the project to eet Egypt's gas shortages. And, in May 2017, BP announced rst gas from the first two fields – Taurus and Libra – eight nonths ahead of schedule. The second phase of the West Nile Delta project, involving development of the Giza, Fayoum and Raven fields, is currently ahead of schedule and below budget, BP says, with first production slated for 2019.

Likewise, Eni's 30 Tcf Zohr discovery, offshore Egypt, is a game changer in the region that has the potential to convert Egypt from a net importer back to the LNG exporter that it was 10 years ago. The two-phased, fast-tracked project is targeting first gas by the end of 2017, by drilling six wells this year and tying them into existing nearby infrastructure.

The recent success of Egyptian exploration has hindered evelopment of Israel's Leviathan field and Cyprus' Aphrodite ıld. Egypt was due to be a major customer of gas from these ds, however, the Zohr field has the potential to cover a gnificant part of Egypt's domestic gas demand, leaving Israel ınd Cyprus to seek markets elsewhere.

The $7 billion Leviathan floating production, storage and offloading development has recently been scrapped in favor of a cheaper fixed platform solution. According to the new plan, half of the 21 Bcm/year of gas production is destined for Israel and neighboring countries, while an additional platform exit point will be made for potential export opportunities to new markets. Wood Group announced in March 2017 that it had completed the front-end engineering and design studies for the project and that a final investment decision is now expected in the coming months from Noble Energy.

The Aphrodite field, meanwhile, has been delayed due to continued disputes between Cyprus and Israel, with Cyprus asserting that only 1% of the field lies in the neighboring Israel Yishai license, while Israel claims it is a much larger volume.

With Egypt not expected to require gas imports from 2022, for its domestic needs, exporting to Greece or Turkey may be a more attractive option for Cyprus and Israel. In March this year, an agreement was made between relevant ministers to construct 2000km of subsea pipeline to connect offshore Israel and Cyprus with Greece, which could influence the development decisions for Eastern Mediterranean fields. Provided that there is better cooperation between the countries and improved political stability, the next decade could see the region emerge as a major gas exporter to meet Europe's growing gas demand. **OE**

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