



REPUBLIC OF CYPRUS
MINISTRY OF ENERGY, COMMERCE, INDUSTRY AND TOURISM

3rd Licensing Round

New Exploration Opportunities Offshore Cyprus

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EEZ of the Republic of Cyprus

Arab Republic of Egypt

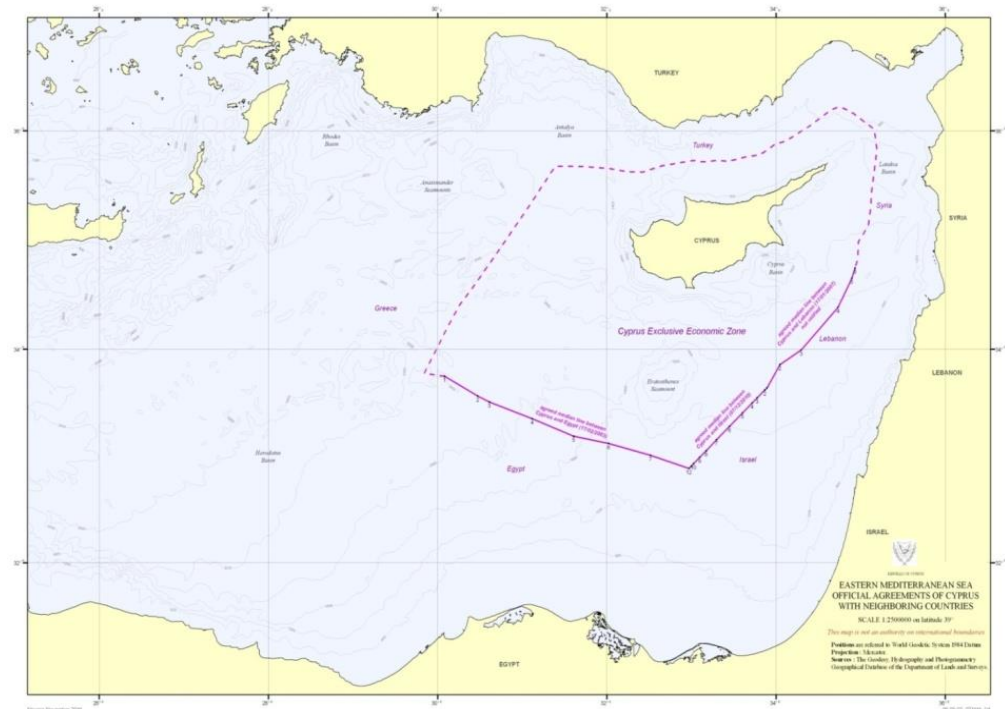
- ❑ Delimitation of the EEZ – 2003 (ratified)
- ❑ Framework Agreement concerning the development of cross-median line hydrocarbon resources – (signed 2013)

Republic of Lebanon

- ❑ Delimitation of the EEZ – 2007
- ❑ Framework Agreement concerning the development and exploitation of cross-median line hydrocarbon resources – (negotiating)

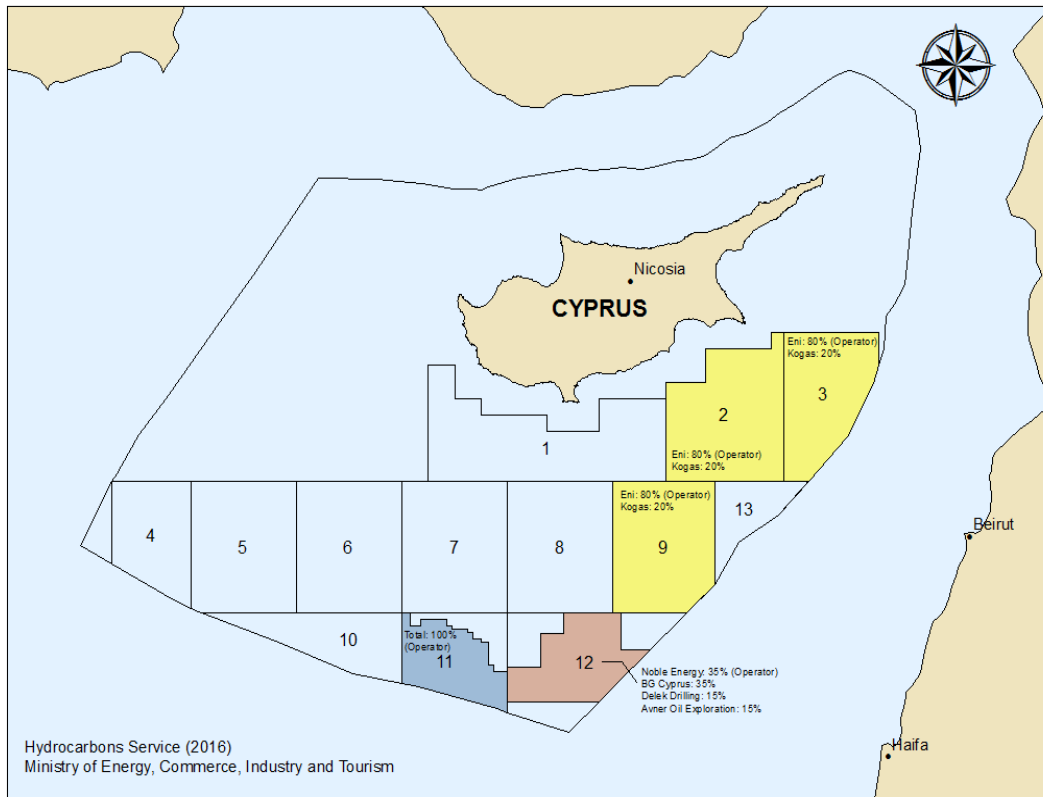
State of Israel

- ❑ Delimitation of the EEZ – 2010 (ratified)
- ❑ Framework Agreement concerning the development and exploitation of cross-median line hydrocarbon resources – (negotiating)



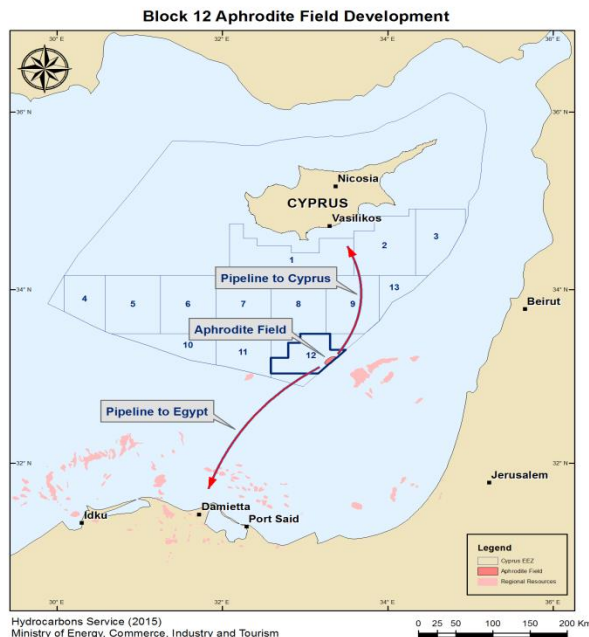
Exploration Licences – Current Status

Offshore Cyprus Exploration Blocks



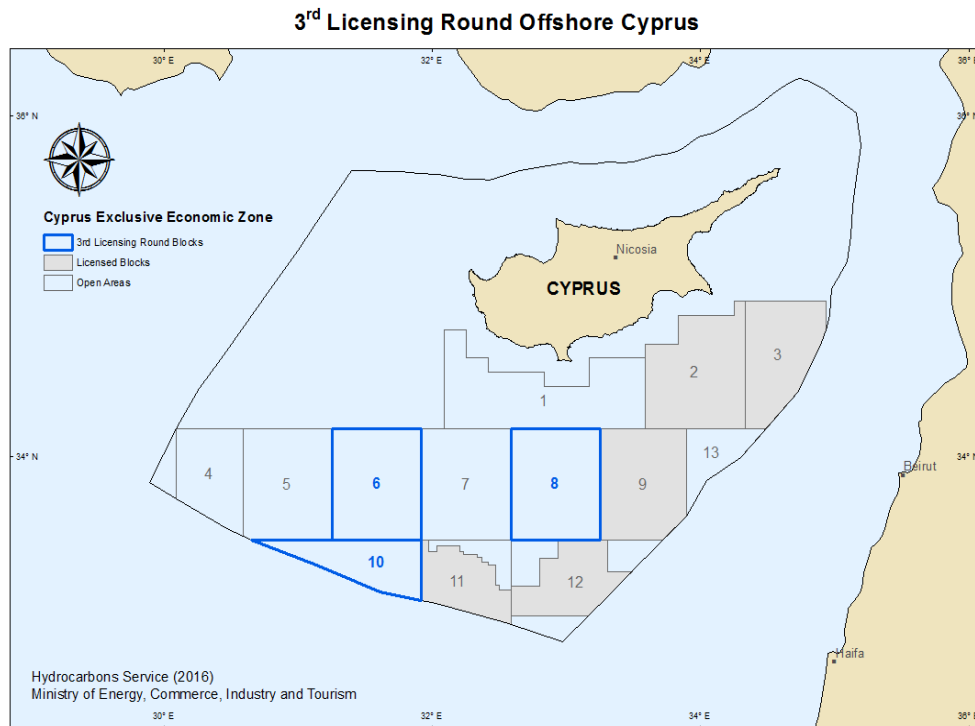
- ❑ 13 Exploration Blocks in the southern part of the EEZ of the Republic of Cyprus
- ❑ Awarded Blocks:
 - 1st Licensing Round: Block 12
 - 2nd Licensing Round: Blocks 2, 3, 9, 11
- ❑ First natural gas discovery in Block 12 (“Aphrodite Field”)

Aphrodite Field



- ❑ Aphrodite natural gas discovery current resource estimates are 4.45 Trillion cubic feet
- ❑ Located 168 km of Cyprus shore
- ❑ Water depth of approximately 1,700 m
- ❑ High quality dry gas discovery
- ❑ Discovered in December 2011
- ❑ Appraised and tested in 2013
- ❑ Declaration of Commerciality: June 2015
- ❑ Submission of the Development and Production Plan: June 2015
- ❑ Discussions with potential buyers are underway
- ❑ Monetization: Based on the volume and the current economic environment regional market (Egypt) with submarine pipelines seems to be commercially the most viable option

3rd Licensing Round – Exploration Blocks on offer

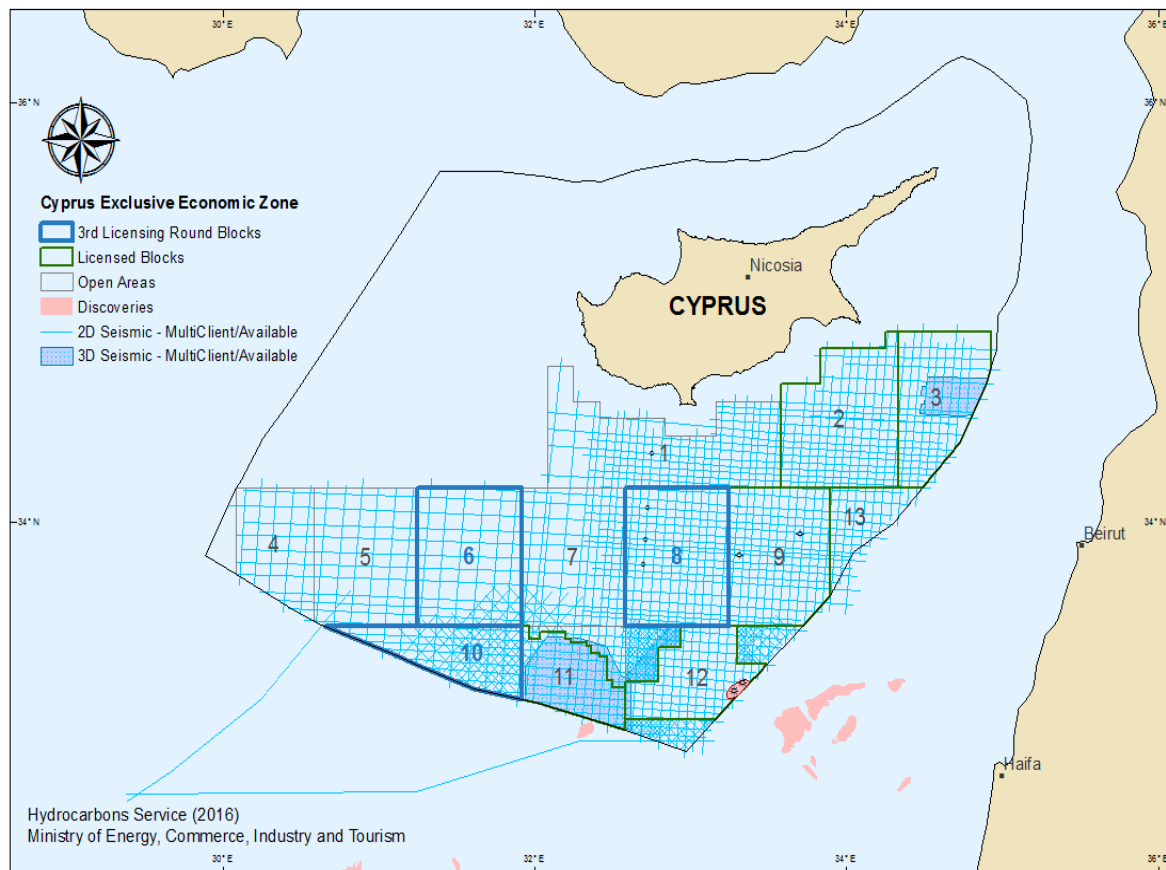


- Soon to be officially announced
- ENI's recent giant "Zohr" gas discovery, about 6.5 km from the Cyprus' EEZ, confirms the significant gas potential of the carbonate build-ups of the region, in addition to the "conventional" clastic reservoirs
- Fully associated with this newborn carbonate build-up play is the ECB
- Strong interest in Blocks of Cyprus' EEZ

Block	Min Water Depth (m)	Max Water Depth (m)	Area (sq. km)
6	2,002	2,619	4,561
8	730	2,588	4,562
10	1,652	2,475	2,561

Available Seismic Data

Offshore Cyprus Exploration Blocks

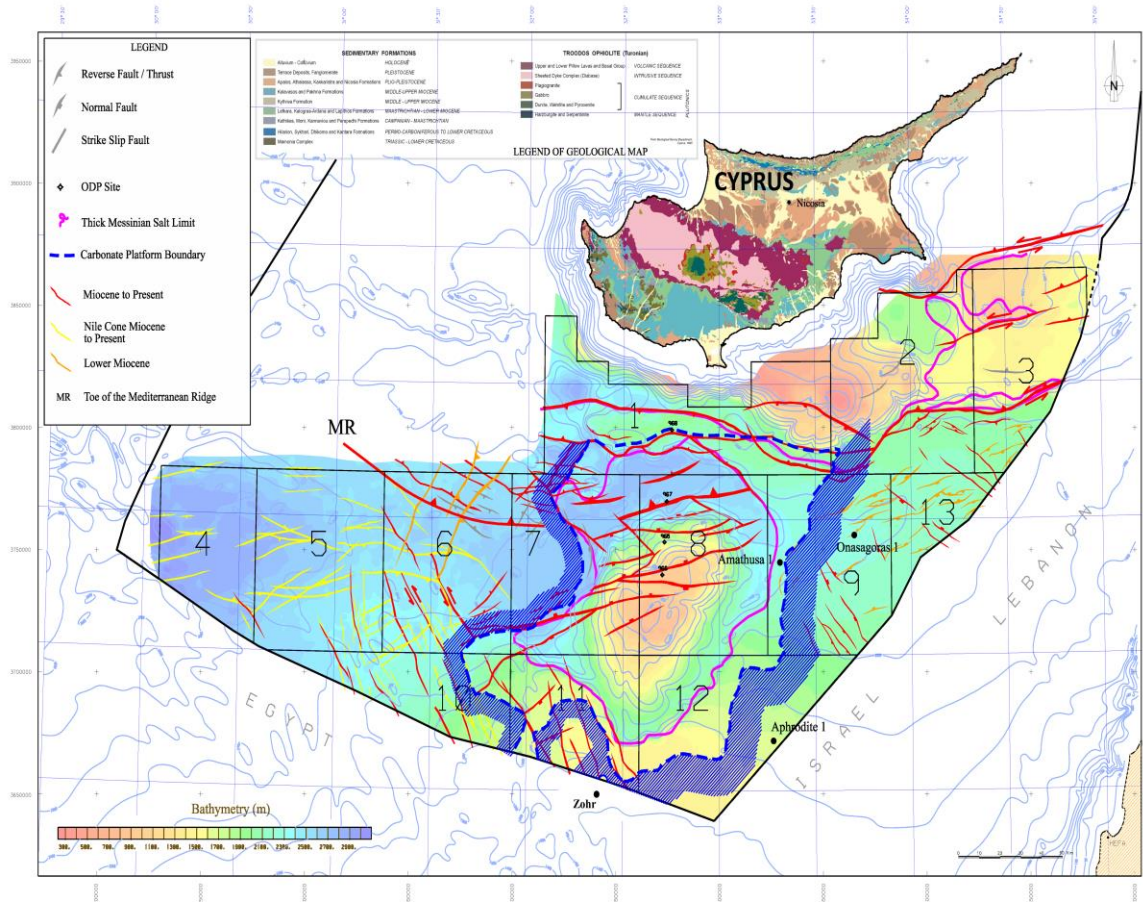


Seismic Data	Quantity
MC-2D	19,000 km
MC-3D	3,000 sq. km
2D	1,500 km

Block	2D Seismic Data (line-km)
6	1,120
8	2,000
10	1,800

Offshore Cyprus Structural Map

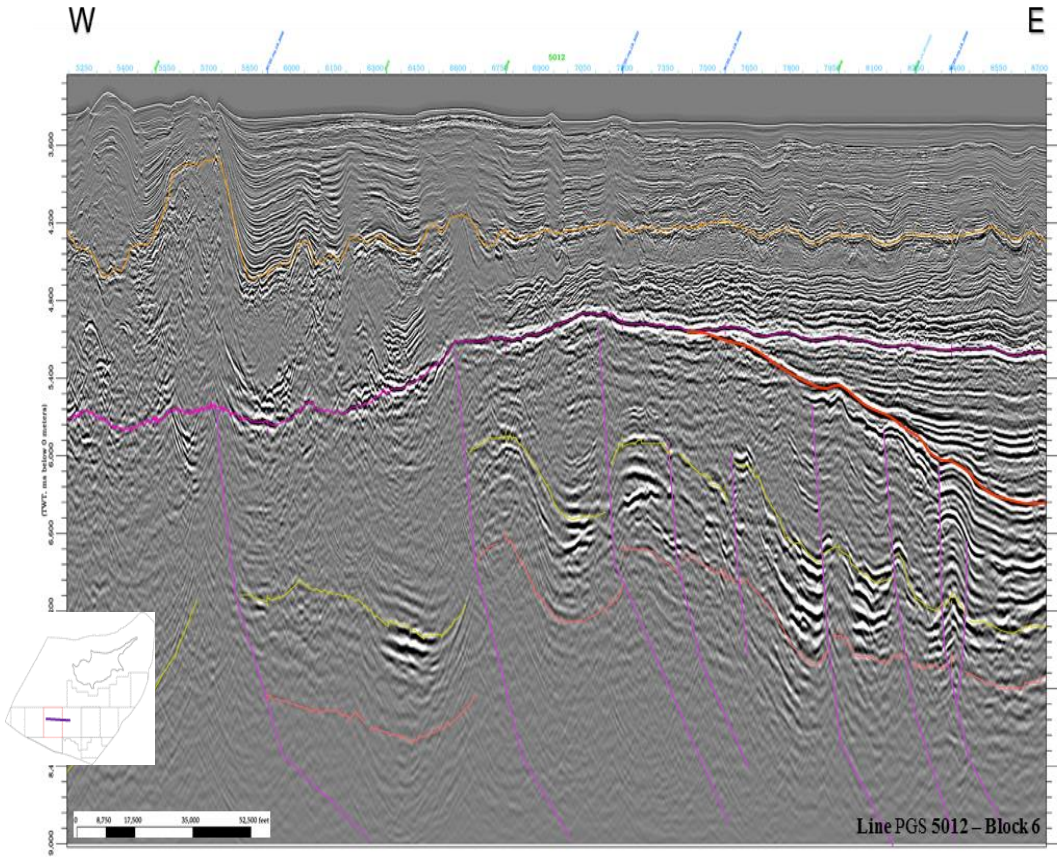
Boundary of the Carbonate Platform



- ☐ Levant Basin E
- ☐ Herodotus Basin W
- ☐ Eratosthenes Continental Block - CO₃ platform
- ☐ Eastern margin - onlapping sediments
- ☐ Western margin – small sub-basin and high
- ☐ Southern margin – topographic highs favourable to CO₃ build-ups
- ☐ Northern margin – corresponds to the active margin / subjection zone

Offshore Cyprus Prospectivity – Block 6

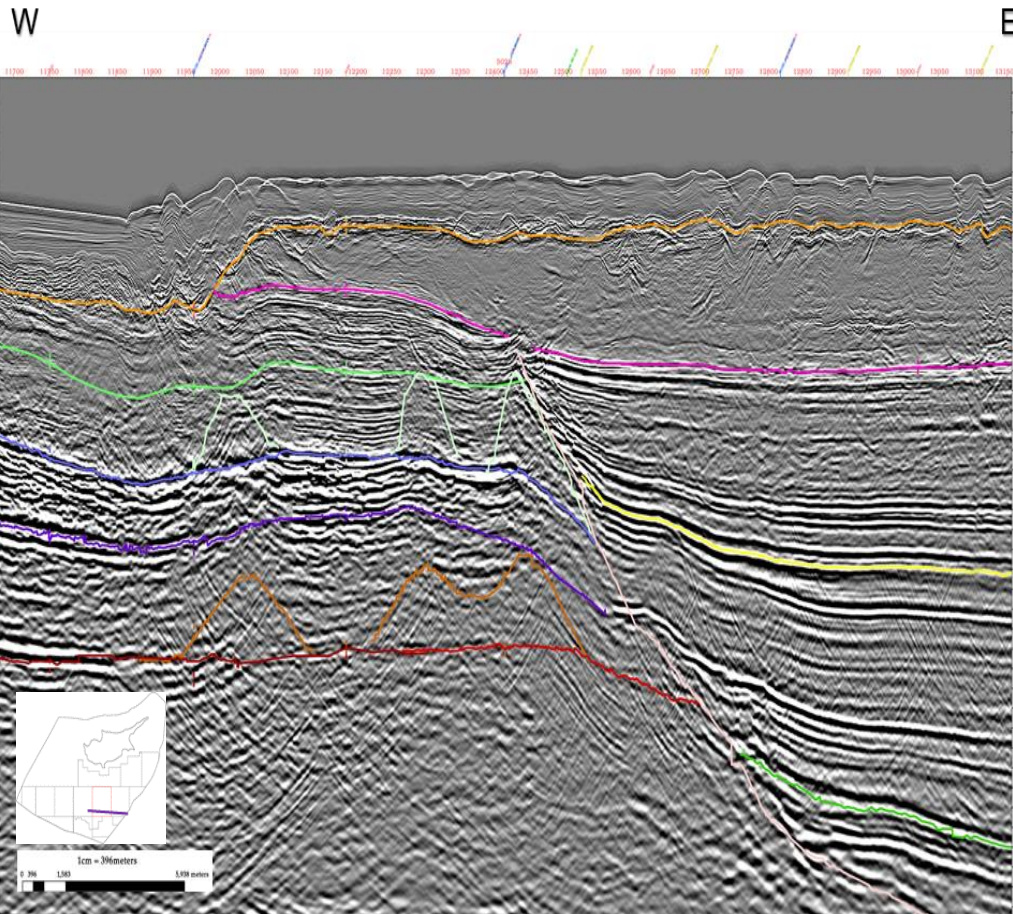
Time seismic section through the West Eratosthenes High Interpreted Hydrocarbon Lead



- Lower Miocene sands constitute a potential reservoir
- Messinian Evaporites constitute an excellent seal
- Charge from adjacent Herodotus Basin thick depocentre
- Deeper targets beneath represented by high amplitudes

Offshore Cyprus Prospectivity – Block 8

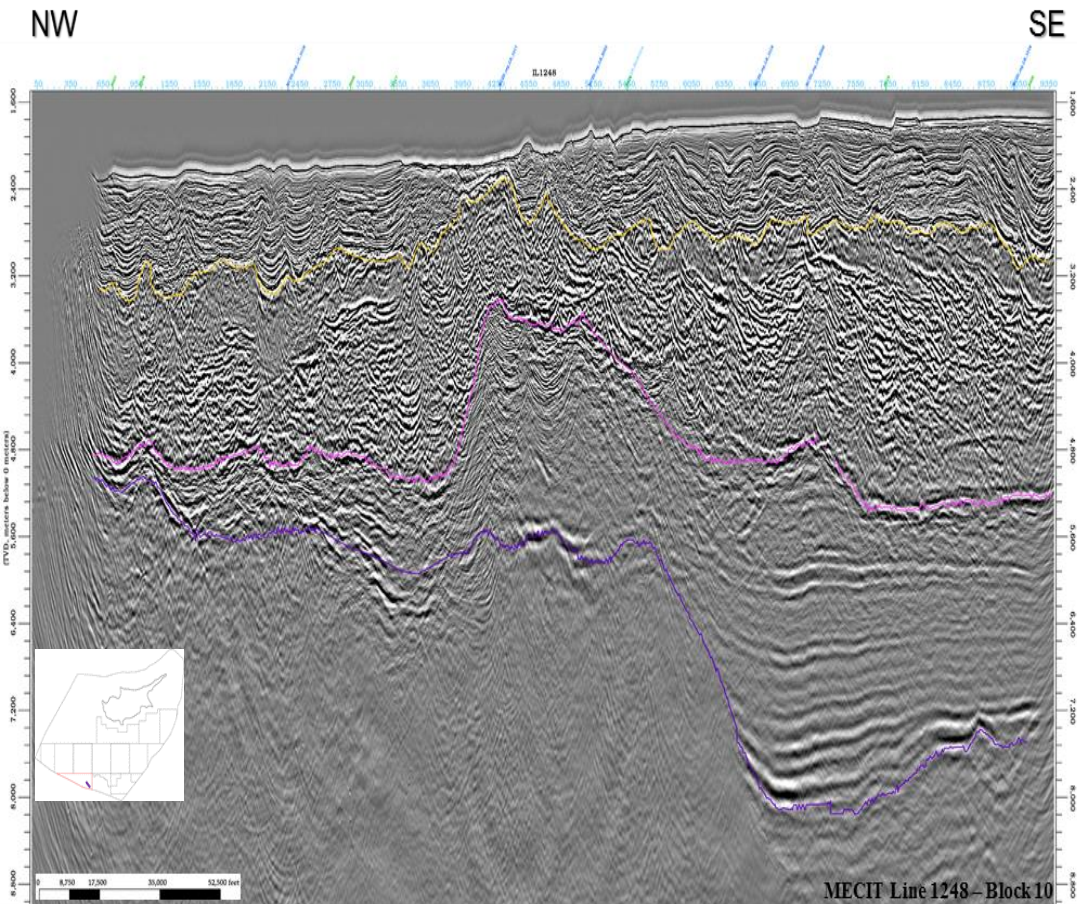
Time seismic section through a carbonate build-up



- Carbonate build-ups in the SE corner of Block 8 constitute the main leads, which are sealed by the Messinian Evaporites
- Lateral seals consist of onlapping deep water shales deposited in the Levant Basin to the East and back reef muds to the West
- The charge would be biogenic gas having migrated from the Oligocene-Miocene shales of the Levant Basin
- Potential anticlines existence at deeper horizon

Offshore Cyprus Prospectivity – Block 10

Depth seismic section through a carbonate build-up



- Block 10 comprises an elongated W-E ridge extending westward the ECB
- The ridge's northern limit is part of the West Eratosthenes sub-Basin
- Its southern limit is represented by the deep basin making the transition with the Levant and Herodotus basins
- Several isolated carbonate buildups have been identified; prospects similar to the Zohr discovery
- The charge would be biogenic gas from the Oligo-Miocene shales onlapping on the carbonate buildups



Legal & Regulatory Framework

Legislation

- ☐ The Hydrocarbons (Prospection, Exploration and Exploitation) Laws
- ☐ The Hydrocarbons (Prospection, Exploration and Exploitation) Regulations

Model Agreement

- ☐ Production Sharing Contract

Hydrocarbon Exploration License

- ☐ Granted initially for up to 3 years; ability for two renewals of 2 years each
- ☐ Includes gravity and magnetic surveys, 2D/3D seismic surveys, as well as exploration drilling
- ☐ On each renewal, at least 25% of the initial area is relinquished
- ☐ In case of a commercial discovery, the licensee has the right to be granted an exploitation license

Hydrocarbon Exploitation License

- ☐ Granted for an initial period of up to 25 years; ability for one renewal of 10 years



Requirements & General Procedure

- ☐ Invitation for submission of applications will be published in the Official Journal of the European Union
- ☐ Applications will be submitted to the Minister of Energy, Commerce, Industry and Tourism not later than 120 days after the publication in the Official Journal of the European Union
- ☐ One application per Block
- ☐ Payment of an Application Fee
- ☐ Purchase of the seismic data package available on each block applied for
- ☐ Evaluation of the applications is carried out by the Advisory Committee, according to the Hydrocarbons Law
- ☐ The terms and conditions of the Contract (EPSC) shall be negotiated with the selected applicant
- ☐ The competent authority for granting Hydrocarbon Exploration Licences is the Council of Ministers



Content of Applications

- ☐ Technical, Financial and Legal Capacity documentation of the Applicant
- ☐ Technical and Financial Proposal for the Block
- ☐ Description of the exploration programme
- ☐ Minimum exploration work
- ☐ Economic terms with respect to the maximum cost hydrocarbon recovery and to the profit hydrocarbon sharing (“R” factor)
- ☐ Minimum annual training budget during exploration and exploitation
- ☐ Signature & Production bonuses
- ☐ Short notice relating to the possible impact on and protection of the environment



Criteria for Evaluation

- ☐ The Technical and Financial ability of the applicant
- ☐ The ways in which the applicant intends to carry out the activities that are specified in the licence
- ☐ The financial consideration that the applicant is offering in order to obtain the licence
- ☐ Any lack of efficiency and responsibility that the applicant has shown under any previous licence or authorisation of any form in any country of the world



Contact Us

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