

Lebanon Oil & Gas Update

May 2012

FSRU Project in Lebanon: Call for Expressions of Interest

The Lebanese Ministry of Energy has recently issued a call for Expressions of Interest (EOI) in respect of a new Floating Storage and Regasification Unit (FSRU) and LNG unloading facilities in Lebanon.

The FSRU Project forms part of the Ministry of Energy's plan to reform and revitalize the power sector in Lebanon. Indeed, electricity demand exceeds supply in Lebanon. The Ministry of Energy estimates that Lebanon needs a minimum of 1,500MW to 2,500MW of additional capacity.

The Ministry of Energy has proposed a suite of measures including acquiring temporary capacity from power barges, small generators and power imports, new combined-cycle gas turbine capacity and rehabilitating existing plants. In order to supply these plants with the necessary feedstock, a 175 km pipeline will be built along the coastline, connected to a Floating Storage and Regasification Unit and LNG unloading facilities.

The size of the FSRU is recommended to be at least 125,000 cubic metres (m³) with regasification capacity of up to 3.5 million tonnes per annum (mtpa). The Ministry has stated that it will consider proposals for a new-build FSRU, an existing FSRU, and conversions of existing vessels as well as the construction and operation of an unloading berthing structure.

The Ministry's deadline for accepting Expressions of Interest is 4 June 2012.

Further advice should be taken before relying on the contents of this note.

Etude Maitre Nouredine Kabalan accepts no responsibility for loss occasioned to any person(s) acting or refraining from acting as a result of material contained in this note.

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