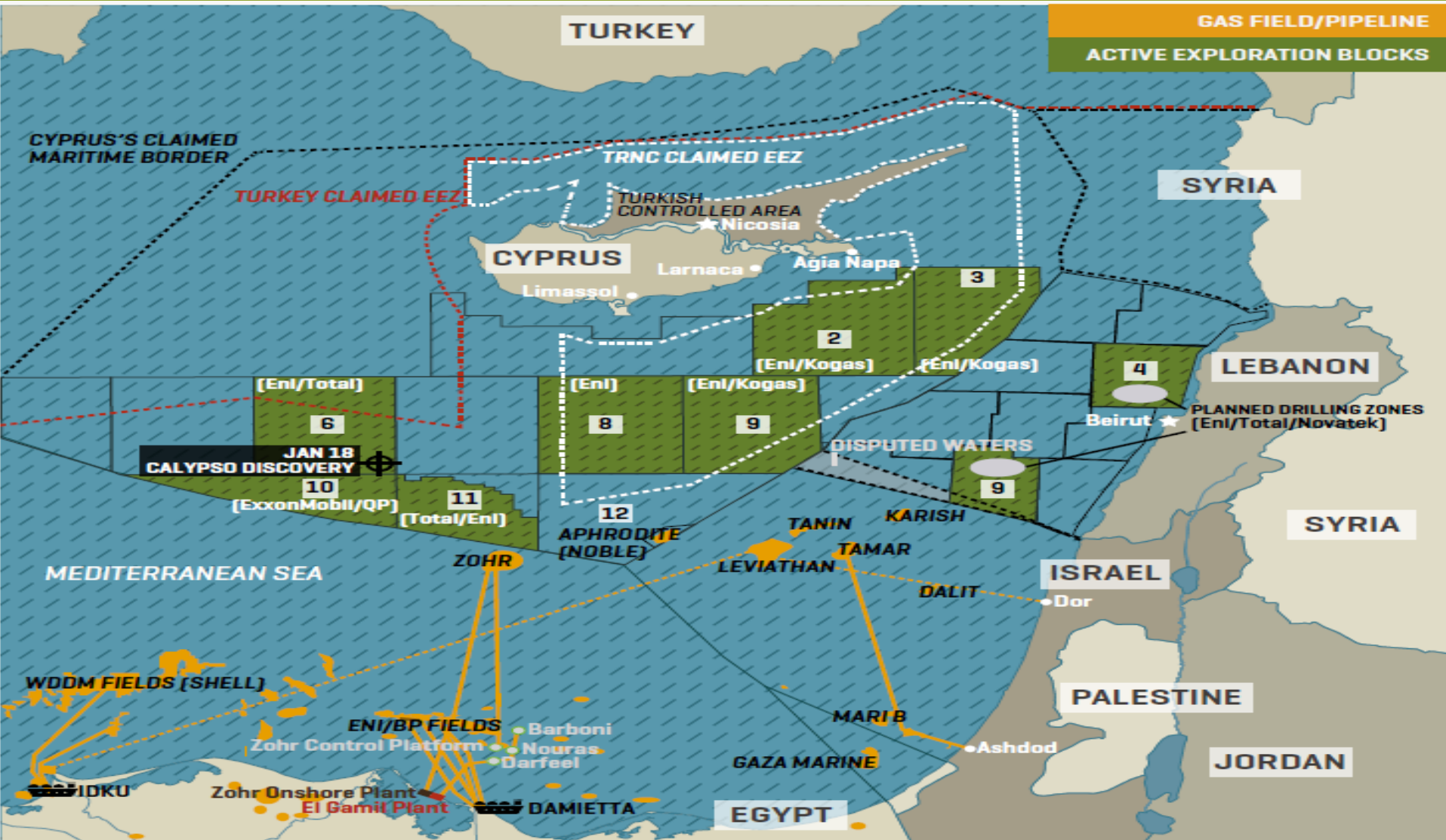




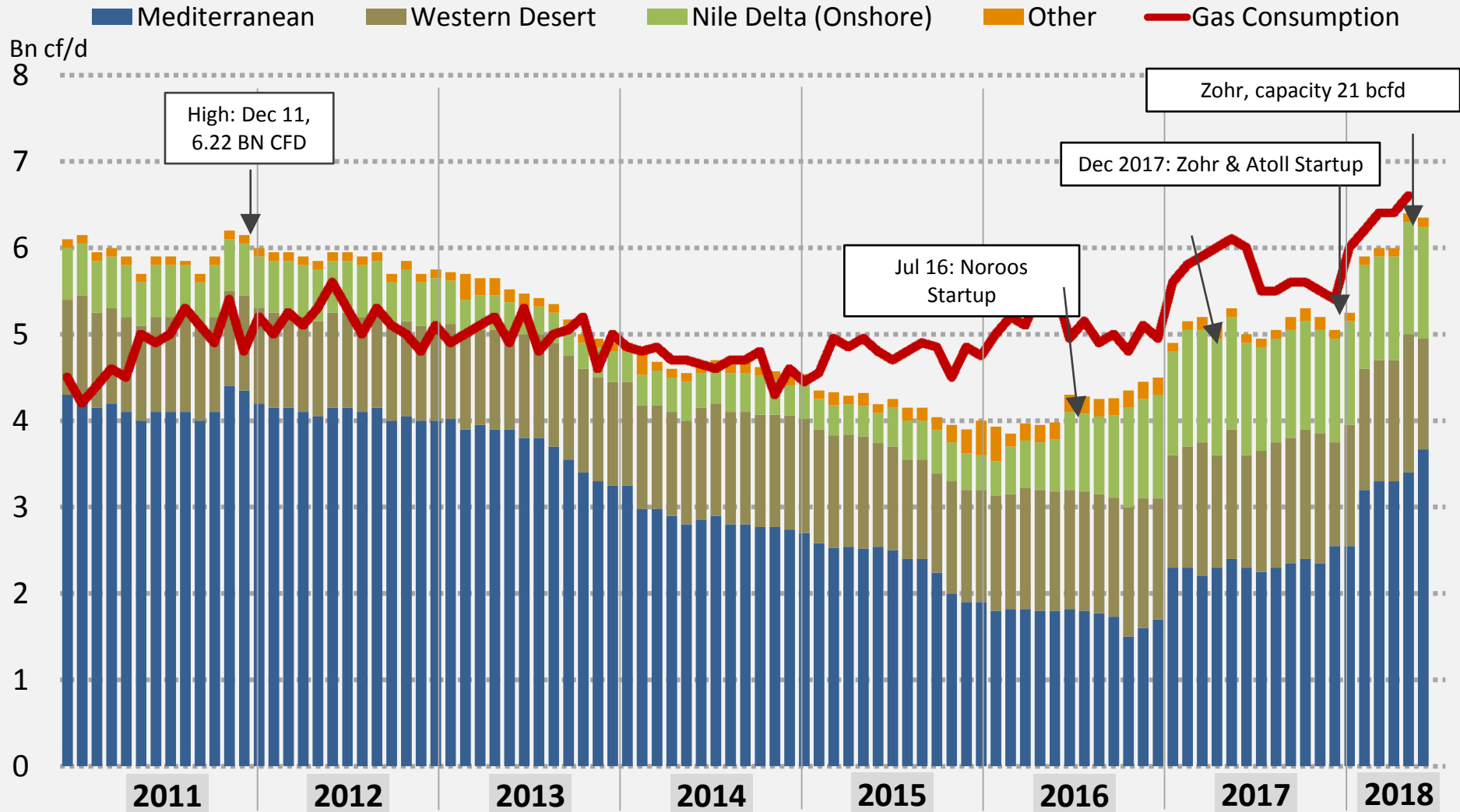
# WHOSE HUB IS IT ANYWAY?

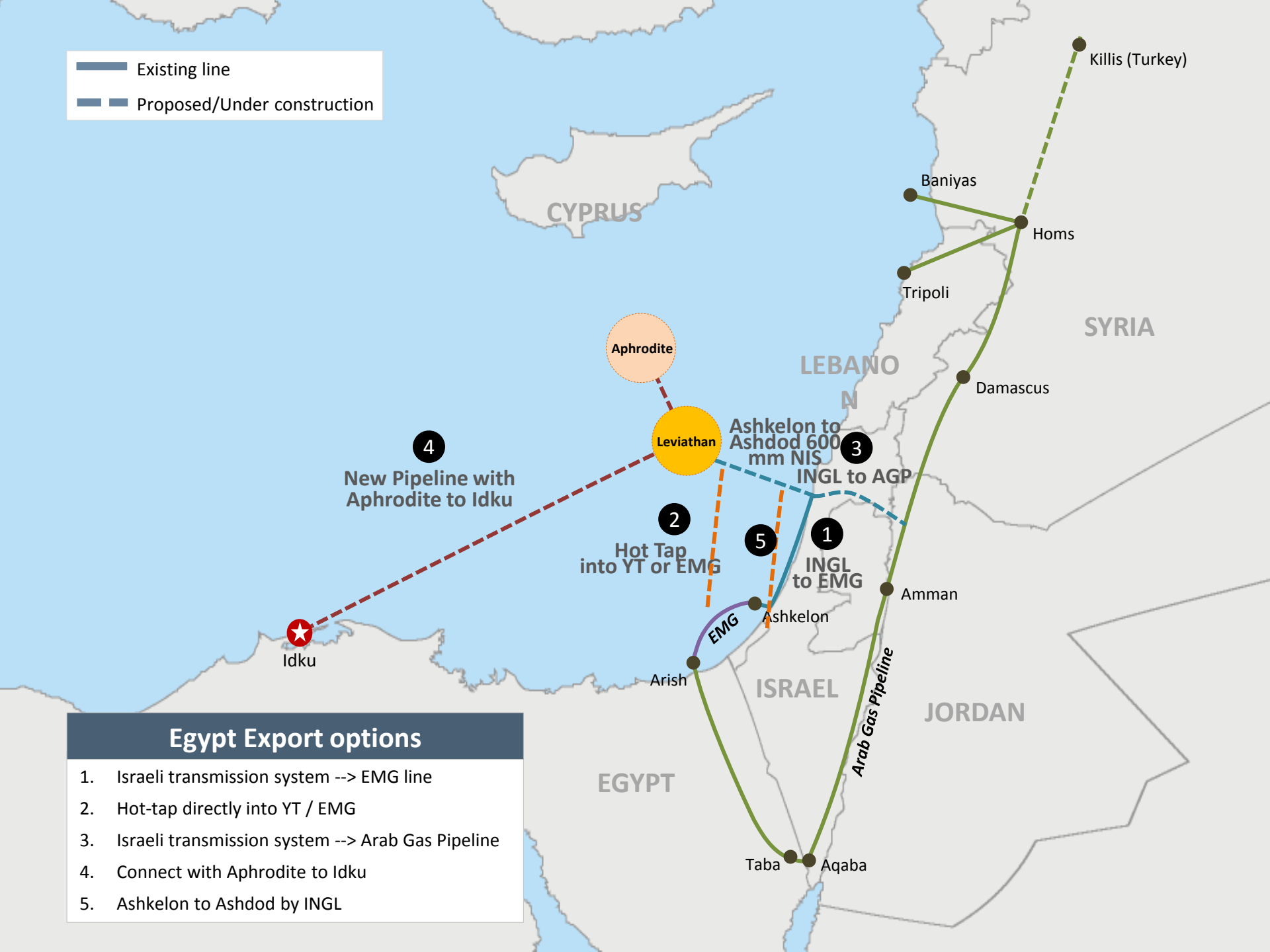
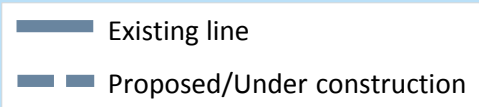




# Egypt: Output Record Nears

seasonal demand will peak or trough





- ### Egypt Export options
1. Israeli transmission system --> EMG line
  2. Hot-tap directly into YT / EMG
  3. Israeli transmission system --> Arab Gas Pipeline
  4. Connect with Aphrodite to Idku
  5. Ashkelon to Ashdod by INGL



From Competition to Cooperation  
From Cooperation to Confrontation!



# TURKEY

- ❑ Reconciliation YES, but Rapprochement NO
- ❑ Moving ahead with lignite, FSRU, TANAP, TurkStream, nuclear, lower gas
- ❑ Cyprus EEZ;
- ❑ Pricing issues



# CYPRUS

- ❑ Total, Shell, Eni, EXXON, QP
- ❑ EU



# EGYPT

- ❑ Self sufficient, 17.5 bcm of LNG, Pan Arab Pipeline
- ❑ IEC/EMG/EGAS arbitration; Large debts to IOCs;
- ❑ Subsidized gas prices
- ❑ No transit country, shallower waters, shorter route, EMGF

*Economic,  
geopolitical  
benefits*



# Global Powers in East Med

## USA

- ❖ Securing Israeli gas supply to **Jordan**
- ❖ Mediating maritime border dispute with **Lebanon**
- ❖ Supports Israeli gas to **Europe**; rapprochement with **Turkey**

## Russia

- ❖ Protecting **Gazprom's** position as supplier to Turkey and EU
- ❖ Farm-in attempts to **Leviathan**; done in **Egypt & Lebanon**
- ❖ **Future involvement in Syria** gas exploration

## EU / Quartet

- ❖ East Med gas as alternative to **Nord Stream II & TurkStream**
- ❖ Settlement of **Cypro** & straddling fields
- ❖ Strengthening **PA's** energy sector





# East Med Gas Conflicts

Issue

Cooperation

Threats

**Cyprus & Israel cross-border field**

Joint development & marketing

Cyprus gas frozen;  
Israeli route to Turkey out

**Israel & Lebanon E&P – Block 9;  
wants to issue blocks 8 & 10**

International arbitration;  
Total to drill out of contested zone

Frozen assets & armed conflict

**Turkey prevented Cyprus drilling  
Turkey Greece EEZ**

Cypro; Cypriot gas to Turkey

Escalation, frozen Cypriot assets,  
Turkey pariah state

**Israel – PA/Hamas: Gaza Marine;**

Gas, PA energy independence

GM remains stranded; worsening  
PA Israel relations

**Israel – Turkey; minimum diplomatic ties  
Egypt – Turkey growing enmity**

Win-win gas transactions

Continued enmity

**East Med Pipeline**

Israel, Cyprus, Greece, Italy, EU

Russia, Egypt, commercial, technical

**Cyprus LNG**

Majors, EU country, aggregate all gas

Timing, not enough volumes, costs

**East Med Forum in Egypt Jan 2019**

Egypt, Cyprus, Israel, PA, Greece,  
Italy, EU Energy Commission

Out: Turkey, Lebanon, Arbitration,  
over-reliance on under reliable Egypt

**Technology: FLNG, CNG, GTL**

Keep all options open

Entrenched ideas, early adoption