



REPUBLIC OF CYPRUS

**Remarks by the Minister of Energy, Commerce and Industry Ms
Natasa Pilides at the signing ceremony for the Exploration and
Production Sharing Contract for Block 5 of the EEZ of the Republic
of Cyprus**

Friday, December 10th 2021

It is with distinct pleasure that I welcome you all to the Presidential Palace, on the occasion of the signing of the Exploration and Production Sharing Contract and the Hydrocarbons Exploration License for Block 5, of the Exclusive Economic Zone of the Republic of Cyprus. I would especially like to greet our friends joining us here this morning from Qatar, the Manager of Qatar Energy's International Upstream and Exploration, Mr Ali Al-Mana, and his associates.

Today's signing ceremony is the culmination of a licensing process that officially began in June, after a lot of preparatory work undertaken by the Ministry of Energy. The process was successfully completed in just 5 months because of the hard work, dedication and constructive approach of both parties. I therefore wish to start my remarks by thanking, first and foremost, my colleagues at the Ministry's Hydrocarbons Service, the team of executives involved from ExxonMobil and Qatar Energy and, also, the experts of the Law Office of the Republic of Cyprus, the Ministries of Finance, Foreign Affairs and Agriculture, the Cyprus Hydrocarbons Company and the state's technical advisors, who joined the Ministry of

Energy's technocrats as part of the competent Negotiating Team and Hydrocarbons Advisory Committee.

You have all been instrumental in reaching this very positive outcome and, on behalf of the Government of Cyprus, I would like to thank and congratulate you for your efforts.

With both the Government and the consortium having identified the geological prospects and the potential production synergies arising from licensing Block 5, and after careful examination by the Hydrocarbons Advisory Committee of the technical and economic aspects of ExxonMobil's and Qatar Energy's application, we proceeded to negotiate in good faith the terms of the Exploration and Production Sharing Contract that the Council of Ministers approved and we have just signed.

As such, and in spite of the increasingly difficult working environment for the global oil and gas industry, today we are taking a decisive step towards enhancing our mutually beneficial partnership in Cyprus' EEZ. The Republic of Cyprus, in exercising its sovereign rights according to International Law, advances further the exploration of our EEZ and the consortium solidifies its presence in the very promising area of the Eastern Mediterranean.

ExxonMobil and Qatar Energy, two companies of the highest calibre and expertise in the field of hydrocarbons and LNG, have already been very successful in their activities in Cyprus' EEZ. Since being awarded an Exploration License for Block 10, back in April of 2017, the consortium has made a 5 to 8 trillion cubic feet gas discovery at "Glaucus – 1" well and, before the end of this year, will be the first of our licensees to resume drilling activities, postponed over the past couple of years due to the pandemic.

According to the assurances given to the President of the Republic by Mr Al-Mana and Mr Varnavas Theodossiou, Managing Director for ExxonMobil Cyprus, during their meeting earlier this morning, ExxonMobil and Qatar Energy are fully committed to the EEZ of Cyprus, with the consortium's forthcoming appraisal well for the "Glaucus" discovery being part of their renewed and ambitious exploration programme. They have also informed President Anastasiades of their intention to commence, in 2022, field work in Block 5 for seismic data acquisition.

I, therefore, take this opportunity to once again thank both companies for the trust they continue to place on the Republic of Cyprus and the potential of its EEZ. Over the past four years you have proven to be valuable and true partners of Cyprus in our efforts to optimally and sustainably develop our hydrocarbon resources and it is our sincere wish that the new Contract that we have signed today leads to realisation of our common goals and expectations.

Thank you.