

## **PRESS RELEASE – GAS ROUNDTABLE CONCLUSIONS**

### **Cyprus needs high-calibre energy policy strategy**

The government needs to appoint a high-calibre, independent Energy Advisory Team with a short shelf life of no more than six months to help shape its vision and strategy for the recently established national oil and gas company (KRETYK).

These were the conclusions of a small group of locally based energy experts, academics, economists and senior professionals who met together last week for a roundtable energy discussion hosted by Castor & Partners, a Leadership Development and Executive Search firm, and consultancy companies, Curveball Ltd and Sapienta Economics Ltd.

Held under the Chatham House rule, which allowed for the free exchange of opinions without attribution, the group came to the consensus conclusions outlined below.

“We organised this round table in order to get a debate going about how Cyprus can make the most of this new natural resource,” said Adam Lomas, of Castor and Partners, who recently retired to Cyprus after 35 years with Shell.

“It was a really good discussion and we’d like to keep the dialogue going so we can flesh out these ideas a little more,” he said.

### **Cyprus Energy Round Table Consensus Output**

#### **Group Consensus**

- It was felt that the discovery of hydrocarbons within the island’s EEZ is an opportunity to transform the business climate and culture of Cyprus on a larger scale than currently being considered, and that current plans for realisation appear optimistic
- Pending full Government debate and under strict rules of corporate governance, a framework should be quickly established to include the appointment of an Energy Minister and an Energy Advisory Team. This should be a quickly appointed and shortlived body to advise and recommend the framework and policy for the National Oil and Gas Company (KRETYK). The team should serve for no longer than 6 months.
  - This organisation should be staffed with proven experts with a record of success in the international hydrocarbon industry. The Energy Advisory Team should be transparent, independent and report to the President, focusing on national energy security, commercial exploitation strategy and, where possible, being exempt from party politics. To ensure that

the agency has no conflict of interest, members of the team should not seek subsequent positions in the KRETYK.

- As regards the national oil and gas company (KRETYK), its structure and purpose needs to be more clearly defined than at present. It should be formed within a transparent legal framework that is supported by an overall vision and business plan for the economy of Cyprus. This would act as an encouragement for investment from abroad and as an encouragement for Cypriot entrepreneurs. It should be a semi-government organisation.
- The KRETYK should make clear to potential investors the regulatory / policy / infrastructure framework. Ideally the Government, via the KRETYK, will become an active partner in most related joint ventures, but in the shorter term, due to financial and personnel constraints, the government may choose to take a minority interest or simply regulate.
- The KRETYK will become an example for other similar organisations and be staffed by qualified personnel who wish to deliver a future for all Cypriots over and above personal gain and have a long term view on energy issues for the region.
- Whilst the position of Israel is important, it is critical to make the Cyprus hub concept attractive to Israel rather than to rely on Israel for a solution. Considering that there is much gas in Iraq, which is now being distributed through the Gulf - the value proposition of Cyprus could be significantly enhanced, if in its long term vision, its objective was to become a ‘gas hub’ for the whole of the Eastern Levant to include ALL hydrocarbons in the region.
- Despite the current decision to build an LNG plant, it was felt that no detailed economic analysis had been done and made publically available that would support this option.
- The Sovereign Wealth topic must not be forgotten but can await the generation of funds from hydrocarbons.
- The Energy Advisory Team and / or KRETYK should retain the flexibility of future customer options, whilst recognising the unique opportunity of becoming a future secure supply to Europe.

**For further information contact:**

Adam Lomas, Castor & Partners, 99 883 094, [adam@castorpartners.com](mailto:adam@castorpartners.com)

Richard Mallam, Castor & Partners, 99 831 954, [richard@castorpartners.com](mailto:richard@castorpartners.com)

Marina Theodotou, Curveball Ltd, 99 399 416, [mtheodotou@curveballlimited.com](mailto:mtheodotou@curveballlimited.com)

Fiona Mullen, Sapienta Economics Ltd, 99 338 224, [fiona.mullen@sapientaeconomics.com](mailto:fiona.mullen@sapientaeconomics.com)