



MICHAEL DAMIANOS & CO LLC
ADVOCATES & LEGAL CONSULTANTS

Cyprus Oil & Gas Update 4

This is our firm's fourth Cyprus Oil & Gas Update. We are looking to keep practitioners specializing, or working from time to time, in oil & gas matters informed as to developments in the Cyprus oil and gas sector.

Total Signs Production Sharing Contract for Cyprus Oil and Gas Exploration

As provided for in previous Cyprus Oil & Gas Updates, the Cyprus government approved the launch of a second licensing round (in February 2012) for twelve offshore blocks and fifteen bids were submitted from five companies and ten consortia, for nine of the twelve remaining blocks. After signing production sharing contracts with a consortium consisting of Italy's ENI and South Korea's KOGAS in relation to Blocks 2, 3 and 9, the Cyprus government proceeded, on the 6th of February 2013, to sign production sharing contracts with Total in relation to Blocks 10 and 11.

An official of Total Middle East said that they will proceed with 2-D seismic studies in Block 10, and 3-D seismic studies in Block 11, and that they will proceed with oil and natural gas drilling, but that it is too early to say which will have priority over the other.

The signature bonus in relation to both blocks was estimated to be in the region of euro 24 million.

We will revert with any further updates in due course. In the meantime, if you have any related questions/queries please do not hesitate to contact us.