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Agreement between Cyprus Government and Chevron on "Aphrodite gas field" in the Cyprus Exclusive Economic Zone

The Republic of Cyprus and the American giant have reached an agreement on the development plan for "Aphrodite", ending a period of consultations amid disagreements that has lasted for months.

The Cypriot government and U.S. energy company Chevron have reached an agreement on how to develop the Aphrodite field, which is the first to be discovered in *Cyprus' Exclusive Economic Zone*. The field is estimated to contain 4.2 trillion cubic feet of gas.

The deal is "mutually beneficial" for both Cyprus and the company but did not disclose further details. The agreement ends protracted negotiations that halted development of the field for years and now paves the way for the extraction of hydrocarbon after twelve years of discovery.

It is recalled that the disagreement that arose between the Ministry of Energy and the consortium was whether or not to install equipment over the deposit. In particular, what is at stake is the use or not of a floating FPU platform over the deposit, so that after pumping the natural gas receives the necessary processing, is compressed and sent via pipeline to Egypt.

With the use of a floating platform, what the Republic of Cyprus achieves and seeks to happen, is firstly the pumping of larger quantities faster and more massively, the least possible losses of natural gas and of course the presence of the floating platform, which includes equipment of several hundred million that could be used for other deposits.

If the government accepted the consortium's proposal, which did not include the installation of a platform, the natural gas after extraction would be transported without any processing, through pipelines to Egypt, using special compressors. This would greatly reduce the rate of pumping but also the quantity produced. It is noted that the distance of the pipeline from the "Aphrodite" deposit to the terminal in Egypt is estimated at about 500 kilometers.

The official announcement

The Ministry of Energy, Commerce and Industry, received today a letter from Chevron, operator of the "Aphrodite" gas field, referring to the points of the Ministry's letter, dated November 20, 2023. In its letter, Chevron confirms the parties' alignment on the broader framework for exploitation of the deposit.

Therefore, with the common understanding that has now been reached, the parties are intensifying our discussions in the coming weeks, on the basis of the agreed Development and Production Plan, for mutually beneficial exploitation of the natural gas reserves at "Aphrodite".

Benefits deriving from the Agreement.

This is a very important agreement, which paves the way for the rapid exploitation of the natural gas reserves we have in the Exclusive Economic Zone of the Republic of Cyprus, at a time when the needs of the whole of Europe have increased,

Cyprus will very soon be able to offer relatively cheap energy to Europe, which will significantly upgrade Cyprus geostrategic importance.

In a statement, the United States of America said in a statement that "as DEA-Cooperation we consider particularly important the agreement reached with Chevron, regarding the exploitation of the "Aphrodite" deposit and generally in relation to the course of our country's energy program.

The acceptance by the American company of the use of the floating natural gas production unit (FPU) for the needs of extraction and exploitation of the deposit, as provided for in the 2019 agreement, essentially paves the way for Cyprus to acquire its own energy infrastructure and will bring significant economic and political benefits for our country.

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