

Greek oil refiner Hellenic Petroleum (ELPE) said that it has entered talks with French oil and gas company TotalEnergies in order to settle issues arising from the latter's withdrawal from two hydrocarbon exploration blocks near Crete.

The statement from the company said that the negotiations are ongoing, adding that any transaction, if there is any, is not expected to have any fundamental impact on the company's finances.

In April, French company announced its decision to withdraw from two hydrocarbon exploration blocks near Crete, the block of Western Crete and that of Southwest Crete. Previously, Greek media reported that both the US ExxonMobil and the French TotalEnergies are not willing to proceed with exploratory activities within the two offshore blocks west and southwest of Crete. The two companies hold the 40 % stake in the blocks each, with ELPE holding the remaining 20 %.

The lack of interest by the two company is contrary to expectations of the Greek Government for accelerating domestic exploration activities as a result of the EU's decision to drastically reduce Europe's reliance on Russian natural gas.

The two blocks, titled "west of Crete" and "southwest of Crete," were conceded to the consortium through an international tender announced in 2017 after the companies themselves expressed an interest. The offshore areas to be surveyed cover a total of 40,000 square kilometers.

The maritime area off Crete is considered a hopeful target for the discovery of hydrocarbons as it has similar geological features to other areas in the Eastern Mediterranean (Cyprus, Israel) where significant natural gas reserves have been discovered. However, due to the great depth, experts say it will take the discovery of considerable quantities of mineral wealth (equal to over 500 million barrels) for its extraction to be financial sustainable.