

Europe's Path from Energy Crisis to Lasting Resilience

SESSION CHAIR

Jörn Fleck

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SPEAKER

H.E. Michael Damianos

Minister of Energy, Commerce & Industry, Republic of Cyprus

SPEAKER

H.E. Stavros Papastavrou

Minister of the Environment & Energy, Hellenic Republic

SUMMARY

The energy ministers of Cyprus and Greece offered a frank assessment of Europe's evolving energy posture, arguing that the continent has moved haltingly but meaningfully from crisis management toward what Greek Prime Minister Mitsotakis has termed "energy realism." Both ministers emphasized diversification, domestic resource development, and deeper transatlantic partnership as the pillars of a durable European energy architecture, with the Eastern Mediterranean emerging as a strategic node linking USLNG supply, East Med gas reserves, and new electricity interconnection corridors stretching into Central and Eastern Europe.

Minister Damianos highlighted Cyprus's imminent entry into gas production—first gas expected in the first half of 2028 from a smaller block, followed by the Chevron block in 2030–31 and the ExxonMobil block in ≈ 2033—and underscored the ≈ \$10B in U.S. major investment already committed to the Cypriot EEZ. He pressed the case for U.S. political and commercial engagement as fundamental to regional energy security, not merely for Cyprus but for Europe broadly. Minister Papastavrou described a "new geometry of energy" anchored in a vertical corridor carrying USLNG northward through Greece and Bulgaria into Romania, Moldova, and Ukraine, complemented by the three-plus-one framework with Cyprus, Israel, and the United States, and the Indo-Middle East Economic Corridor diagonal. Both ministers voiced strong support for the proposed East Med Energy Center at Rice University's Baker Institute as a permanent institutional home for the three-plus-one partnership.

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—H.E. Stavros Papastavrou, Minister of the Environment & Energy, Hellenic Republic

For LNG Allies members, the session underscores the strategic premium on USLNG supply in the Eastern Mediterranean and Black Sea corridors. Greek infrastructure is already functioning as a vertical distribution backbone for USLNG into Central and Eastern Europe—precisely the market architecture that underpins long-term contract demand. The ministers' calls for expanded U.S. commercial and diplomatic engagement, and their explicit citation of U.S. majors (Chevron, ExxonMobil) as pillars of regional energy security, affirm the centrality of the USLNG value proposition to Europe's energy independence agenda.

TRANSCRIPT

Jörn Fleck

This Global Energy Forum session on Europe's path from energy crisis to lasting resilience—a big question for this morning. I'm delighted to be joined by two ministers of two countries in Europe that are key players in answering that major challenge for the continent and for the European Union more broadly.

We have with us His Excellency Michael Damianos, Minister of Energy, Commerce, and Industry for the Republic of Cyprus—a warm welcome. And His Excellency Stavros

Papastavrou, Minister of the Environment and Energy for the Hellenic Republic—a warm welcome to both of you.

When we look at this challenge of Europe's path from successive crisis to lasting resilience, we've seen since especially 2022 Europe facing a series of severe shocks to its energy system—first from Russia's invasion of Ukraine, more recently the conflict with Iran and the disruptions from that. That has added to longer-term challenges to European energy systems and competitiveness. Minister Damianos, could you give us a state of play and how you see the European debate on, and progress on, addressing these successive shocks? Where are we in moving towards resilience and away from the immediate crisis?

**H.E. Michael
Damianos**

Good morning, and it's a pleasure to be here. Cyprus is holding the presidency of the Council of the European Union for these current six months—until the end of June—so we have had a lot to do and a lot to discuss with respect to external shocks in particular.

You are absolutely right. We started with Russia in 2022, then had the shock through the war in the Middle East, which I think we managed to adapt to a bit quicker than we did in 2022. The general idea—and this is what we're trying to do as the European Union—is to make sure that we're more resilient. Becoming more resilient means being more diversified.

Europe needs to progress with, for example, the grids package. We need to increase the stability of our infrastructure, proceed with furthering LNG terminals. We have renewables and we have targets with renewables—that means you can generate your own energy within the country rather than being reliant on external sources. But most importantly, you need to develop your own internal sources of energy, and that must include fossil fuels as well.

We do have substantial quantities in the Cypriot EEZ. Greece has its own quantities in its exclusive economic zone. The idea is to try and get as much out as we can in terms of that diversification—and obviously also to expand our relationship with reliable partners like the U.S., so we can rely on each other and not be reliant on a single source, as was the case in 2022. It takes time to truly get there: infrastructure, renewables, fossil fuels within Europe, and reliable partners on the other side of the Atlantic to make sure that we are able to adapt to external shocks in a much shorter time period than we have up to now.

**H.E. Stavros
Papastavrou**

The comment I want to make is that we learned the hard way—both with the invasion of Ukraine and now with the Straits of Hormuz—about the systemic risk of weaponizing energy. Whether it is from Russia or from Iran or from any country, weaponizing energy is a systemic risk for Europe, and Europe should be united in addressing this and not accepting it. The weaponizing of energy affects global security and regional security, and we should be very much aware of it.

On your question about energy realism: it has been the Prime Minister who has spoken about this with his article in the Financial Times, and I think he has been a leading voice on that in the European Council. We realized that we put a goal of clean energy—a noble goal—but we turned it into something of a morality exercise. When you were speaking to Brussels about a hydrocarbon project, you were considered a villain. If that same project was blue hydrogen, you were a saint. We need to be technologically neutral.

Europe needs energy security, and energy security is national security. As Michael said, we need to develop all the domestic resources that Europe has in order to be energy independent. In that sense, we need to be cost-efficient and cost-effective. Europe was discussing putting a carbon tax on global shipping, where global shipping contributes less than 3% of global emissions and transfers more than 90% of global trade. That is not a good start.

I think most European leaders now recognize that in setting our clean energy goals we did not adequately account for the competitiveness of the economy and social cohesion. This translates not into a reversal, of course, but a recalibration of the speed and approach. Compared to the crisis of 2022, where it took 12 to 14 months for the EU to recognize the problem and act collectively, things have moved a lot faster now. Energy realism, which

started with Prime Minister Mitsotakis, is becoming a common-sense approach for the majority of European countries.

Jörn Fleck

Greater recalibration and greater speed. I want to come to the Eastern Mediterranean as your region and its specific role in advancing European energy security. Obviously the region has a strategic role to play—it is home to significant offshore gas reserves and plays a role in critical interconnection infrastructure linking Europe, Africa, and the Middle East. Minister Damianos, what do you see as the key drivers differentiating the region from the rest of Europe, and how do you leverage that unique position in support of European energy security?

**H.E. Michael
Damianos**

The Eastern Mediterranean is a volatile region geopolitically—it always has been. But Cyprus is in the Western camp: it's an EU country, it operates under rule of law, and these days it has quite substantial hydrocarbons in its own EEZ—we have \approx 20 TCF in our exclusive economic zone. Blocks have been awarded to a small consortium of ENI and TotalEnergies, but substantial gas quantities have gone to a consortium led by Chevron and another led by ExxonMobil. We are talking about the major U.S. oil companies being active in the Cypriot EEZ.

We have the three-plus-one partnership: Cyprus, Greece, Israel—and I would say the reliable support of the United States. These are reliable partners in a volatile area doing what we are meant to be doing. And it is not just about extracting hydrocarbons—with those resources we can support the area, support Europe, support globally. The gas in our EEZ, if used only for Cyprus, would last 3,000 to 4,000 years. We will be selling it.

Beyond hydrocarbons, we need the electrical interconnection: Greece, Cyprus, Israel—the GSI is a first step connecting Cyprus and Israel to the European grid. Then there is more to come with the Indo-Middle East corridor. It is a first step that we need to materialize. And to do that, we need not only European support—we are part of Europe—but U.S. assistance with respect to energy security and the involvement of two major U.S. oil companies in our EEZ and throughout the area, including in Israel, Egypt, and Greece. It is actually very important to securing supply, not only for the region but globally in terms of supplying energy to Europe.

Jörn Fleck

We'll come to the three-plus-one in a moment. Minister Papastavrou, Greece has really leaned into this regional hub role. How are you looking at the next few years in terms of Greece's role in the wider region and in support of European energy security?

**H.E. Stavros
Papastavrou**

If I may speak in terms of the new geometry of energy: Greece and Cyprus are becoming the epicenter, the strategic node, of this new geometry. When I say geometry of energy, I mean we are creating a vertical axis—a vertical corridor—which, after decades of gas flowing from east to west, now brings USLNG into Greece and through the infrastructure, through Bulgaria and Romania, reaching Moldova and Ukraine. We are also creating a strategic triangle, as Michael said, with Israel—a quadrangle with the U.S.

We have a circle of cooperation with the East Med Gas Forum, which should not be underestimated as an important framework. Just two days ago, Michael and I sat at the table with representatives from the governments of Israel and Palestine—after three years. Energy is becoming a bridge for the region.

After the vertical axis and the triangle, we also have the diagonal line from the IMEC. So the Eastern Mediterranean is the center of this new geometry. Through the electrical interconnection of Greece, Cyprus, and Israel—and through the Gregii and Egypt-Greece corridors—this area becomes the epicenter of the new European energy architecture. More and more, the countries of the region realize that we gain more by working together than by acting alone. Two weeks ago in Athens we had the ministers of energy from North Macedonia and Serbia expressing their interest in extending the vertical corridor. These are becoming arteries of trade and prosperity for the region.

Jörn Fleck

Tomorrow you'll both be meeting U.S. Secretary of Energy Chris Wright in Houston for the three-plus-one meeting. When you return to Athens and Nicosia at the end of the week, what specific deliverables do you hope to take home from these meetings?

**H.E. Michael
Damianos**

Both the East Med Gas Forum and the three-plus-one meetings are the opportunity for us to explain exactly what our strategy is for the next few years—in terms of exploration and in terms of electricity interconnections. It is about putting out the message of what we are trying to do and ensuring that our partners are there to support it.

What we are seeking for Cyprus is confirmation that we have the support of our partners—Greece, Israel, and the United States—in putting Cyprus on the energy map now that we will start our own production. We will have first gas in Cyprus in the first half of 2028 from a small block. Then the bigger Chevron block in 2030–31. And then in 2033 we are looking at substantial quantities from the ExxonMobil block. We need the political support to ensure that geopolitics in the area do not affect this trajectory, and we need our partners on the same page with respect to the GSI, IMEC, and the importance of the whole architecture. We want to go back home and say, "What we are planning to do is supported by our partners—let's move with it."

**H.E. Stavros
Papastavrou**

I hope that we will put some meat on the bone. Until now, the three-plus-one is a very important intergovernmental initiative concentrating on energy. Hopefully we can create something more permanent. Therefore, we are looking forward to commencing a cooperation with the East Med Energy Center at the Baker Institute at Rice University, which will allow the four countries to have a permanent center for geopolitics cooperation—and the Baker Institute is a leading institution on the geopolitics of energy.

This has broader importance because the three-plus-one initiative and the EMGF are frameworks that exclude nothing—except the weaponization of energy. What they include is a framework of cooperation based on trust, on a win-win approach, on respect for common rules, good business practice, non-acceptance of unilateralism or threat of violence. This is a whole frame of thinking and culture of cooperation that can bring the Eastern Mediterranean to the surface of the global energy scene. But for this, we need to work together based on commercial rules, based on *lex mercatoria*, based on how the major oil companies operate—and create a frame of cooperation and stability. The commencement of the energy center in Houston is an important step that will allow us to have a permanent base for our cooperation.

Jörn Fleck

Let me turn to the EU side. Cyprus is holding the rotating presidency of the Council of the European Union. With about three weeks to go before Ireland takes over, what are your greatest achievements on the energy front, and what will you push on in that home stretch?

**H.E. Michael
Damianos**

Our motto as presidency was "an autonomous union open to the world"—so the idea was, especially in energy, to be more resilient and diversify. Part of the resilience has to do with updating the grid. We have the grids package regulation, which is extremely important, and we are hoping to reach a general approach by the end of June. We will have an Energy Council in Luxembourg as my last council as presidency at the end of June, and we are hoping to close that.

I think what we have managed to do is try to get out of this crisis a bit quicker than in the past, and to build a general consensus among energy ministers on the direction we need to go. It will take years to fully arrive there, but the grids package is a very good start. And the overall message we have tried to pass on is that renewables are one thing—but we do have hydrocarbons within Europe, and we need to be part of that. As far as Cyprus is concerned, we are definitely able to help. We will have first gas in 2028 from a block that will be liquefied in Egypt for sale in the European market, which is part of supporting the diversification of energy security in the EU. Cyprus is a small country, but with what we have, we can certainly make a contribution.

Jörn Fleck

Greece will take over the EU presidency in the second half of 2027—which seems like half an eternity at current policy and news cycles. What can you tell us about the energy agenda for your presidency?

H.E. Stavros Papastavrou

Well, first we have Ireland and then Lithuania before we arrive. I would not be specific on projects at this stage, but I can tell you the guidelines: energy realism and pragmatism, as we have been discussing here.

Europe does not have a true internal European energy market—there are 27 fragmented markets. What we would be hoping is, first, to continue the good work that Cyprus has been doing on the grids package, because the 27 different national approaches have created very different reactions, especially from the north. We need to enhance energy infrastructure. Countries that are self-sufficient on energy need to be willing to share their surplus and create a true European market. At the same time, we need to be more pragmatic about hydrocarbons. Cyprus has Aphrodite; Romania has Neptune, which will start producing in 2027–28; and Greece, after more than half a century, will have exploratory drilling by ExxonMobil in the Ionian and seismic survey by Chevron below Crete.

We need a balanced, technologically neutral energy mix that excludes nothing—including nuclear, where we need to watch the progress the U.S. is making. Secretary Wright spoke from this podium yesterday about the new SMRs. And we will be focusing significantly on the electricity needs of AI, because we follow closely what the U.S. is bringing to our attention. Secretary Burgum has said the race on AI resembles the arms race of the 1980s—whichever party wins will in a way dictate and control developments. Europe should not face the consequences of the countries that did not participate in the Industrial Revolution. For AI, we need a lot of energy, and that will be a major focus.

Jörn Fleck

That's perhaps a good segue to a lightning round to close. On AI and the energy challenge: what does Europe need to get right, the one or two things, over the next two years?

H.E. Michael Damianos

I want to point out—because we have mentioned hydrocarbons and electricity interconnections—that it is all related to energy security. The U.S. factor is fundamental. U.S. major oil companies are spending \approx \$10B in the next few years to proceed with hydrocarbon exploration in Cyprus. The assistance and involvement of the United States—including through U.S. companies—is fundamental to energy security, not just for Cyprus but for the overall region. I really wanted to say that on this panel, because it is extremely important in helping us do what we are planning to do.

Jörn Fleck

Any concluding thoughts on the U.S. role?

H.E. Stavros Papastavrou

Three words: more energy, more interconnections, and closer cooperation with the U.S. Energy is a bridge for transatlantic cooperation. We see that in the phasing out of Russian gas. We see that in AI. And hopefully we will continue to see more and more cooperation between Europe and the United States.

Jörn Fleck

That's a good point to end on. Thank you, Minister Damianos. Thank you, Minister Papastavrou. We hope to continue that conversation here at the Global Energy Forum and look forward to having you back.