

# Energy: Turkish Continuous Provocations in the East Mediterranean



By Roudi Baroudi

Cypriot President Nicos Anastasiades made full use of the high-profile stage created by the latest summit in Cairo with the leaders of Egypt and Greece, issuing a very public call for Turkey to adopt a “constructive stance” in addressing regional disputes.

Recent Turkish intrusions into the internationally recognized Republic of Cyprus’s Exclusive Economic Zone (EEZ) – at a time when Nicosia is working with private companies to determine the extent of the divided island’s offshore oil and gas reserves – have prompted the ROC to suspend peace talks with the self-styled “Turkish Republic of Northern Cyprus” (TRNC), which is recognized only by Ankara.

With both Egyptian President Fatah al-Sisi and Greek Prime Minister Antonis Samaras at his side following their talks, Anastasiades said the repercussions of Turkish actions could be far-reaching.

“Turkey’s provocative actions do not just compromise the peace talks, but also affect security in the Eastern Mediterranean region,” the Cypriot leader said. “For the negotiations to succeed, Turkey needs to show positive intentions and adopt a constructive stance through positive and effective steps in this direction.”

The summit appears to demonstrate that the ROC is making progress in its efforts to build multilateral support in the face of Turkish intimidation.

Indeed, Turkey's latest gambit in the chess match over Cyprus' oil and gas reserves is pure obstructionism because no one – including Turkey and its ally, the TRNC – will derive any benefit from the move.

Unless the right people decide otherwise, in which case the potential crisis touched off by the Turkish move could be transformed into an historic opportunity.

Notwithstanding political and diplomatic complications, the legal facts of the case are fairly straightforward. In 1974, Turkish troops invaded the northern third of Cyprus following a coup in Nicosia whose leaders sought an unlikely unification with Greece. Since that time, the Turkish military and more than 100,000 settlers have occupied just over 36% of the island, not only denying displaced Greek-Cypriots the right to return to their homes but also engaging in an illegal policy of systematically exploiting their properties. Successive governments in Ankara have steadily entrenched the occupation, even going so far as to establish the aforementioned TRNC in 1983.

Just as clearly, both the international community and all competent and independent legal authorities have conclusively rejected Turkey's attempts to gain legitimacy for the TRNC. Resolutions by the United Nations Security Council have repeatedly declared the entity illegal and all of its actions null and void, and urged UN member-states to withhold both diplomatic recognition and all forms of assistance or facilitation. At the same time, a series of regional, national and international legal verdicts – including in the United States, the United Kingdom, several European countries, and the European Court of Human Rights – has comprehensively discredited 40 years of Turkish policy while unreservedly

endorsing the right of the ROC to be regarded as the sole legitimate government of the island. In addition, Cyprus' accession deal with the European Union specifies that although the ROC does not control the occupation zone, its residents are regarded as ROC citizens and therefore as EU ones.

This thorough refutation of Turkish claims enjoys virtually universal support, and until today, the TRNC is formally recognized by only one independent country: Turkey itself. The occupation zone uses the Turkish lira as its currency, direct air travel and many other forms of transport are allowed only from Turkey, and various embargos have resulted in badly stunted economic development.

Greek-Cypriots have yet to obtain redress for the depredations carried out against them, even the economy in the unoccupied two-thirds of the island has been prevented from realizing its potential, and the ROC's sovereignty remains subject to gross violation. Despite all this, no one has suffered more hardship from Turkish policy and the resultant isolation of the TRNC than Turkish-Cypriots, almost half of whom are estimated to have emigrated since the original 1974 invasion.

An on-again, off-again peace process was rebooted in February of this year, but Turkey's leaders demonstrated little enthusiasm, and now Ankara has erected yet another obstacle. At the beginning of October, Turkey issued a Navigational Telex (NAVTEX) declaring its intention to carry out offshore seismic surveys, between October 20 and December 20, in a huge area off the island's southern and eastern coasts. This area lies well within the ROC's internationally recognized EEZ and continental shelf, and overlaps substantially with undersea blocs already auctioned off for exploration by international energy companies, including Italian giant Eni and South Korea's KOGAS. Nonetheless, when October 20 rolled around, the Turkish survey ship Barbaros was reported to have arrived on scene, accompanied by at least one warship and two support vessels.

Once again, the facts render Turkey's actions null and void. Cyprus' EEZ is recognized in bilateral delimitation agreements, concluded under the provisions of the UN Convention on the Law of the Sea (UNCLOS), between the ROC and each of the sovereign states with any possible counter-claims, including Egypt (2003), Israel (2010) and Lebanon (2007). Conversely, Turkey has yet to join UNCLOS, proclaim an EEZ, define the extent of its continental shelf, or conclude bilateral delimitation pacts with any of its neighbors in the Eastern Mediterranean. Turkey has, however, concluded delimitation deals with its neighbors in the Black Sea, lending its own weight to the very same international legal precedents that it refuses to abide by in the Eastern Med.

What all this – and so much more – means is that for all of Turkey's bluster, any project to illegally exploit the ROC's offshore resources is likely to be stillborn: few respectable countries (if any) will purchase this oil or gas, the isolation of the TRNC will continue, and Turkey could face both damaged trade relationships and even sanctions. In short, Turkey has little to gain, and probably much to lose, if it maintains its current course. Ankara is fully aware of this, so the threat implied by the NAVTEX and the Barbaros cannot be interpreted as anything but a spoiling tactic aimed at hampering the ROC's own legitimate plans to develop an offshore energy sector by intimidating the government and its partners.

This is where the opportunity comes in. Previous attempts to settle the Cyprus conflict have failed, often reinforcing the kind of zero-sum-game approach that informs Turkey's latest provocations. With the right handling, however, this time could be very different. The possibilities opened up by Cyprus' own oil and gas reserves are highly lucrative, and now the EU has endorsed plans to make the island a major regional gas hub which would interconnect the output of several Eastern Mediterranean countries with markets in Europe via pipeline

and/or LNG shipping. The incentive to get a reunification deal done has therefore been expanded geometrically, and extended to more third parties.

Apart from both Greek- and Turkish-Cypriots, the primary beneficiaries of such a settlement would be EU consumers, who would gain several advantages from easier and more reliable access to cheaper and greener energy supplies from within the European family. And since Eni is Italy's largest industrial concern by market capitalization, that country in particular has a powerful motive to see the Cyprus mess cleaned up once and for all. Other major players like France's Total and Schlumberger, as well as America's Noble Energy and Halliburton, further widen the field of interested governments whose good offices could be put to good use. Above all else, the founding principles of both the EU and the UN demand that no effort be spared in ending this long and painful chapter of Cypriot history.

Conflicts over energy have fueled violence in many parts of the world, including nearby areas of the Middle East and North Africa. Now the international community has a chance to accomplish the opposite by leveraging energy wealth to end a decades-long dispute. That would serve the legitimate interests of all concerned, including Turkey, which could eventually gain the same access to attractive energy supplies as European countries. First, however, the warships have to return to port.

And stay there.

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# بارودي لـ «الجمهورية»: النفط موجود براً وقبرص بوابتنا الى أوروبا

## الجمهورية

شدّد الخبير الدولي في قطاع الطاقة رودي بارودي على أهمية تعزيز العلاقات بين لبنان وقبرص في ملف النفط والغاز، لأنها أقرب منطقة لنا تسمح لنا بالدخول الى الاسواق الاوروبية. وركز على أهمية المسح البري الذي يجري راهناً والذي من شأنه تزويدنا بمعلومات مهمة عن النفط والغاز والثروة المائية لاسيما الينابيع البرية.

أنجز الخبير الدولي في قطاع الطاقة رودي بارودي دراسته الأخيرة لهذا العام حول «وضع الطاقة في المنطقة» بعد الدراسة السابقة التي أعدّها في هذا الشأن عام 2008. وفي حديث لـ «الجمهورية» أكد بارودي ان الدراسة لا تنحصر بلبنان فقط بل تتحدث عن التقدم الذي شهدته الدول المجاورة للبنان مثل قبرص اسرائيل غزة وسوريا في حقل الاستكشاف والتنقيب عن النفط، ومن حيث تحديد الكميات أو المخزون النفطي واستناداً الى دراساتهم ما هو المخزون النفطي المرتقب في لبنان.

وشدّد بارودي على أهمية المسح البري الذي يقام راهناً نظراً لأهميته من حيث مساعدة الحكومة على تأكيد احتمالات وجود النفط في لبنان.

ولفت الى انها المرة الاولى منذ 60 عاماً يحصل فيها تقدم في المسح بواسطة offshore 2 البري، لافتاً الى انه منذ العام 2002 بدأ مسح والمسح البري الذي يقام راهناً من شأنه تزويدنا بمعلومات D و3 مهمة عن النفط والغاز والثروة المائية من حيث الينابيع البرية، لذا من الضروري عدم تضييع الفرص في هذا المجال للإفادة من هذه الثروة إلى أقصى حد. وتشمل الدراسة خرائط تظهر أماكن تواجد آبار النفط والغاز في كل من سوريا وقبرص وفلسطين وغزة، وتظهر هذه الخرائط وجود النفط والغاز في كل البلدان المحيطة بلبنان، ما يؤكد ان في لبنان نفط وغاز.

**التعاون مع قبرص**

من جهة أخرى، شدّد بارودي على «أهمية تعزيز العلاقات بين لبنان وقبرص في ملف النفط والغاز، وتنمية أواصر التعاون خصوصاً في مجال

الغاز السائل والتصدير إلى أسواق أوروبا لأنها الأقرب على الإطلاق  
«لتسويق الغاز

أما عن جدوى التعاون مع قبرص في هذا الملف، أوضح بارودي أن لبنان  
في حاجة إلى تصدير الغاز عند بدء استخراجه لأن احتياطه من الغاز  
أكبر بكثير من حاجته، كما أن التصدير ضرورة لتوفير الأموال  
للخزينة وأقرب سوق يمكن أن تصدر إليه النفط أو الغاز هو أوروبا  
وأقرب بلد أوروبي في محيطنا هي قبرص التي تبعد 100 كلم عن لبنان

لذا نحن في حاجة للتعاون مع قبرص لأنها بوابتنا إلى أوروبا،  
خصوصاً وأن أوروبا تستورد الغاز من بلدان تبعد عنها أقله 4 آلاف  
كيلومتر.

واستيراد أوروبا من الغاز يمر بنحو 7 بلدان، حيث تضطر إلى دفع  
ضرائب إلى 7 بلدان أقله. انطلاقاً من ذلك، نرى أن للبنان موقعاً  
استراتيجياً في تصدير النفط إلى أوروبا، مروراً بقبرص

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## Lebanon onshore oil and gas 'promising'

**THE DAILY STAR**  
LEBANON

BEIRUT: The analysis of Lebanon's onshore oil and gas survey data revealed promising results, the CEO of the U.S.-based company tasked with the survey said Monday during a conference held at ESA business school in Beirut.

Jim Hollis, CEO of NEOS, told participants at the "Oil and Gas: Governance and Integration" forum that the company would be revealing the complete survey findings during a news

conference set to be held Wednesday.

The survey, which covers 6,000 square kilometers, including the onshore northern half of the country and the transition zone along the Mediterranean coastline, integrates 2-D seismic data with airborne geophysical datasets to determine prospective oil and gas resources, Hollis said.

A number of energy experts have argued recently that keeping the immediate focus on onshore oil and gas exploration could help Lebanon become an energy producer earlier than most observers expect.

Lebanon's government has yet to approve a draft bill on onshore petroleum resources before referring it Parliament for ratification.

The law governing onshore petroleum resources will complement the Offshore Petroleum Resources Law that was ratified in 2010.

While five years have passed since the ratification of the Offshore Petroleum Resources Law, the government has yet to issue two decrees that would pave the way for the first licensing round for offshore gas exploration in Lebanon's exclusive economic zone.

The first licensing round was postponed last August for the fifth time due to political disagreements over the decrees pertaining to the designation of blocks that would be open for bidding and the terms of a draft on the Exploration and Production Agreement.

Gabi Daaboul, head of the legal department at the Lebanese Petroleum Administration, said during the conference that Lebanon should proceed with the gradual licensing of the 10 blocks that form Lebanon's EEZ.

The gradual licensing of blocks would enable the Lebanese



government to secure better terms in future licensing rounds, experts argued.

Roudi Baroudi, CEO of Energy and Environment Holding, an independent consulting firm based in Qatar, told The Daily Star on the sidelines of the conference that political bickering and instability was denting the confidence of international oil companies in Lebanon.

“Only by acting in unison could the political establishment regain the confidence of major industry partners,” Baroudi said.

Industry sources have warned that some international companies that prequalified for the first licensing round were re-evaluating the situation in light of the repeated delays as a result of the government’s failure to issue the two decrees.

Energy and Water Minister Arthur Nazarian warned during the conference that due to political bickering Lebanon could be squandering significant economic benefits, and urged the government to swiftly launch the first oil and gas licensing rounds.

Guillaume Leenhardt, global head of business development at Geneva-based Mercuria Energy Group, told participants that it would take almost five years to start production once the exploration phase kicks off.

Last month, Nazarian told The Daily Star that there was no indication yet on whether the Cabinet would hold a meeting in the near future to discuss and approve the two decrees concerning the number of blocks that would be auctioned and the revenue sharing agreement.

Lebanon’s potential offshore natural gas reserves are estimated at 25 trillion cubic feet, according to initial estimates carried out in the country’s exclusive economic zone.

Baroudi urged the government to arrange for the drilling of a few exploratory wells – both onshore and off – to prove the potential indicated by geological studies.

“Regional experience gives us reason to put the odds of success at between 65 percent and 85 percent, and the rewards in terms of increased interest by international oil companies and higher auction revenues could be huge,” he added.