

# Lebanon sets starting point for sea border negotiations with Israel



BEIRUT (Reuters) – President Michel Aoun on Thursday specified Lebanon's starting point for demarcating its sea border with Israel under U.S.-mediated talks, in the first public confirmation of a stance sources say increases the size of the disputed area.

Israel and Lebanon launched the negotiations last month with delegations from the long-time foes convening at a U.N. base to try to agree on the border that has held up hydrocarbon exploration in the potentially gas-rich area.

A presidency statement said Aoun instructed the Lebanese team that the demarcation line should start from the land point of Ras Naqoura as defined under a 1923 agreement and extend seaward in a trajectory that a security source said extends

the disputed area to some 2,300 square km (888 sq miles) from around 860 sq km.

Israel's energy minister, overseeing the talks with Lebanon, said Lebanon had now changed its position seven times and was contradicting its own assertions.

"Whoever wants prosperity in our region and seeks to safely develop natural resources must adhere to the principle of stability and settle the dispute along the lines that were submitted by Israel and Lebanon at the United Nations," Yuval Steinitz said.

Any deviation, Steinitz said, would lead to a "dead end".

Last month sources said the two sides presented contrasting maps for proposed borders. They said the Lebanese proposal extended farther south than the border Lebanon had years before presented to the United Nations and that of the Israeli team pushed the boundary farther north than Israel's original position.

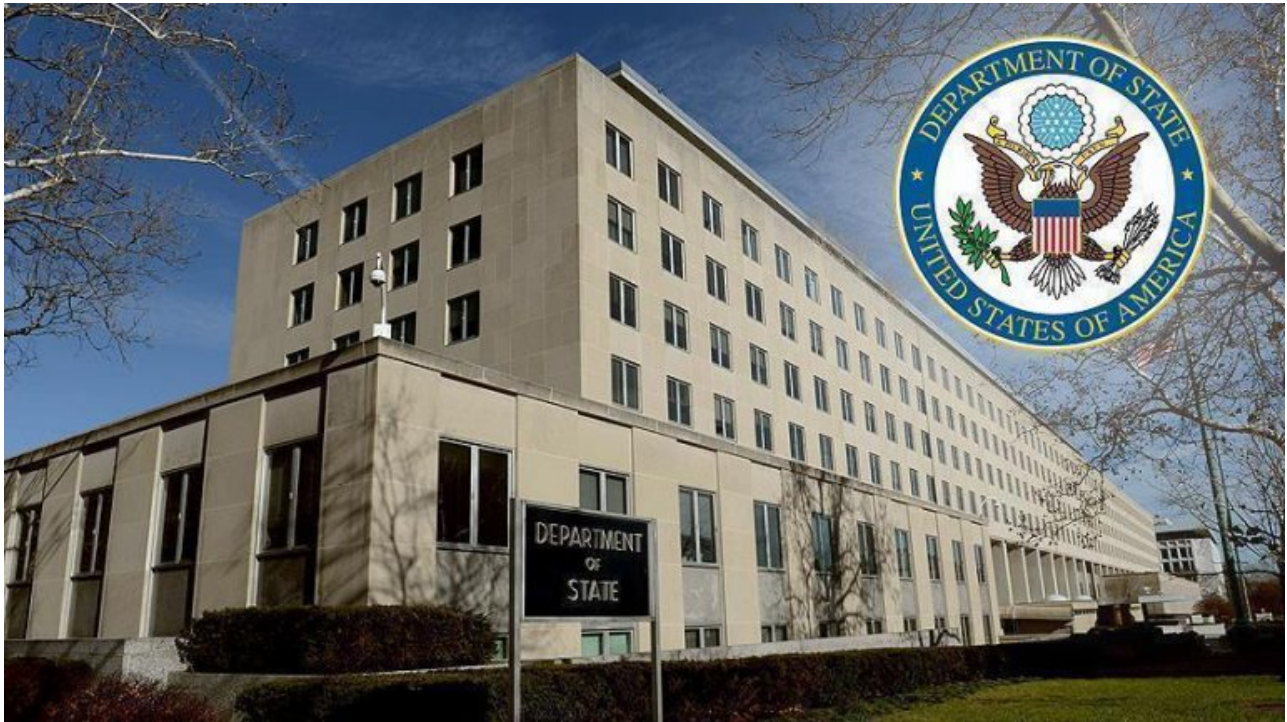
The talks, the culmination of three years of diplomacy by Washington, are due to resume in December.

Israel pumps gas from huge offshore fields but Lebanon, which has yet to find commercial gas reserves in its own waters, is desperate for cash from foreign donors as it faces the worst economic crisis since its 1975-1990 civil war.

Additional reporting by Ari Rabinovitch in Jerusalem; Writing by Ghaida Gbantous; Editing by Janet Lawrence

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# Athens responds to US State Department's claim that Greek air space is only 6 nautical miles



Regarding the report by the US State Department, which was forwarded to the US Congress on March 18 and in the framework of the provisions of the "Eastern Mediterranean Security and Energy Partnership Act," diplomatic sources pointed out that the borders of Greece's territorial waters, as well as the maritime borders between Greece and Turkey, have been clearly defined for years on the basis of international law and are not in any dispute.

In particular, they stated in response to the State Department that regarding the Southeastern Aegean and the Eastern Mediterranean, the maritime borders have been defined by the Italy-Turkey Agreement signed in Ankara on 4 January 1932, as well as the minutes which was signed in Ankara on December 28, 1932.

Greece, as the successor state under the Treaty of Paris of 1947, gained sovereignty over the Dodecanese without any change in the maritime borders, as agreed between Italy and Turkey.

Regarding the sea borders in Thrace (up to the point of a distance of three nautical miles from the Evros Delta), they emphasise that these were defined by the Treaty of Lausanne of 1923 and the Athens Protocol of 1926.

Finally, regarding the sea borders between the above two areas (from Thrace to Dodecanese), where the territorial waters of Greece and Turkey intersect, they pointed out that the sea borders follow the middle line between the Greek islands and islets and the opposite Turkish coasts.

The same diplomatic sources noted that Greece's external borders, including its territorial waters, are at the same time the external borders of the European Union.

The recently released State Department report states that Greece claims an airspace that extends up to 10 nautical miles and a territorial sea of up to 6 nautical miles, but that "under international law, a country's airspace coincides with its territorial sea."

"The US thus recognizes an airspace up to 6 nautical miles consistent with territorial sea. Greece and the US do not share a view on the extent of Greece's airspace," the report said.

The State Department report adds that although Athens currently claims up to a 6-nautical-mile territorial sea in the Aegean, "Greece and its neighbors have not agreed on boundary delimitation in those areas where their lawful maritime entitlements overlap."

"Lack of such delimitation means there is no clarity on the extent of Greece's territorial sea and corresponding airspace

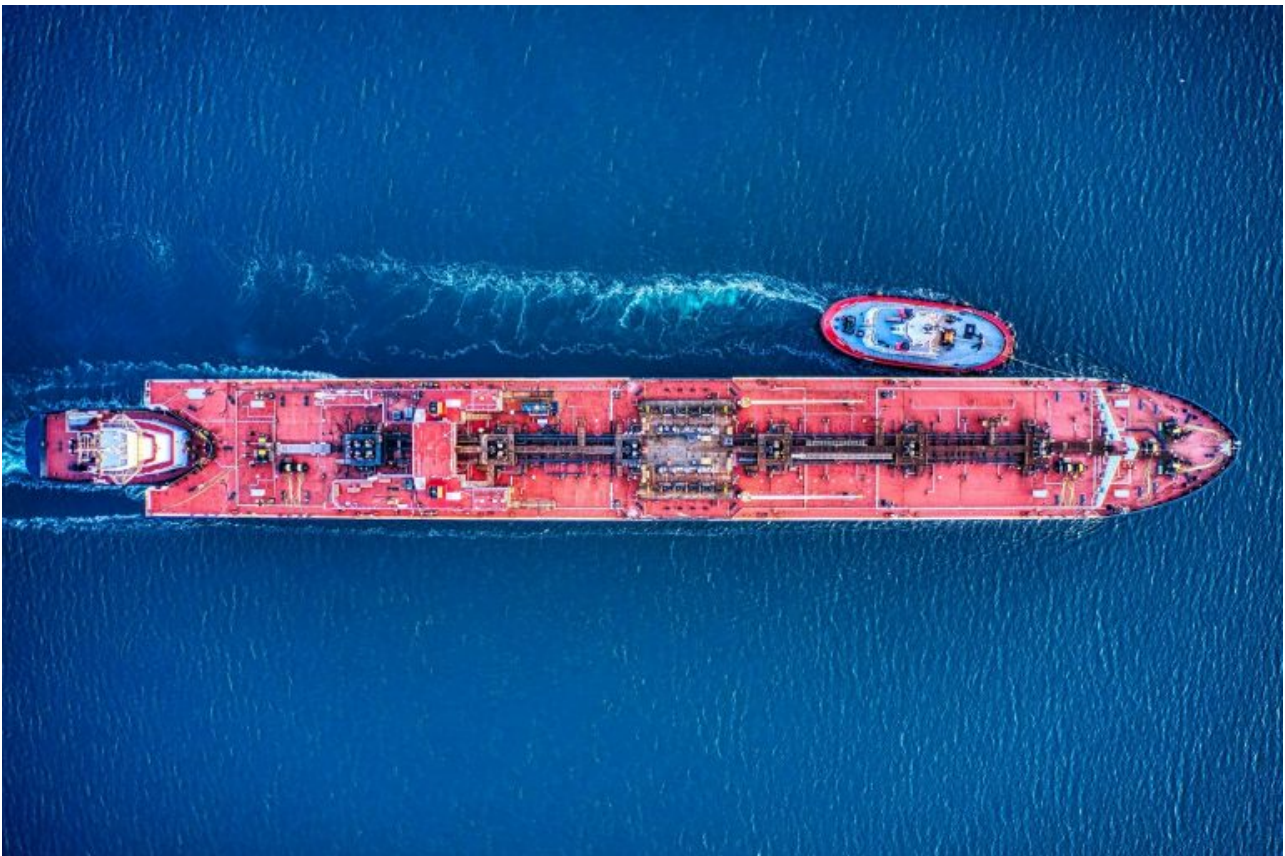


in these areas rendering any assessment of total violations not feasible,” the report said.

The State Department report said Washington encourages Greece and Turkey “to resolve outstanding bilateral maritime boundary issues peacefully and in accordance with international law.”

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## **Nakilat completes second phase of fleet management transition**



Qatar-based shipping and maritime company Nakilat has completed the second phase of its fleet management transition from Shell International Trading and Shipping Company.

A total of seven liquefied natural gas (LNG) carriers transitioned to its in-house operational and technical management.

During the second phase transition, Q-Max LNG carrier Lijmiliya was the last vessel to transition from Shell to Nakilat Shipping Qatar Limited (NSQL) on 27 October.

Currently, the fleet size fully managed by NSQL stands at 26 vessels with 22 LNG vessels and four liquefied petroleum gas (LPG) carriers.

Over the past several years, Nakilat has been working closely with its long-term partner Shell for a smooth transition of vessel management.

Nakilat CEO Abdullah Fadhalah Al Sulaiti said: "This milestone achieved in a safe and timely manner, despite the challenges presented by the global pandemic, is especially meaningful and demonstrates our strong commitment to safety, reliability, and efficiency through the provision of quality shipping and maritime services."

Al Sulaiti continued: "Over the past years, Nakilat has grown in leaps and bounds with the steady expansion of its LNG fleet, which is the largest in the world. The management of our vessels centrally controlled from Qatar allows us to further capitalise on existing synergies with our main charterer (Qatargas), realise operational efficiencies, and optimise costs. I would also like to express our gratitude to Qatargas for their cooperation and the continuous support provided throughout our long-term strategic partnership and the entire vessel transition phases.

"We strive to steer forward through tactfully formulated strategies, seizing potential long-term growth opportunities, strengthening ship management capabilities, and enhancing operational excellence in our vision to be a global leader and provider of choice for energy transportation and maritime

services.”

Phase one of the fleet management transition, involving ten LNG carriers, began in 2016 and was completed in August 2017.

In a separate development, 11 projects were inaugurated in Iran’s Anzali Port in the Caspian Sea.

Among the projects inaugurated, there is a grain depot with 50,000t capacity and a general cargo warehouse with an area of 4,509m<sup>2</sup>.

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**Qatar gas delivers first LNG cargo on Q-Max vessel to Tianjin Terminal in China.**



Qatargas Operating Company Limited (Qatargas) announced today the delivery of the first cargo of liquefied natural gas (LNG) on a Q-Max LNG carrier to the Tianjin LNG Receiving Terminal in China.

The cargo aboard the Qatargas-chartered LNG vessel, 'Al Mafyar,' was loaded at Ras Laffan on 21 October 2020 and delivered to the Tianjin Terminal, located in the northern port city of Tianjin, near Beijing, on 10th November 2020.

This is the first cargo discharge operation by Qatargas to this LNG terminal involving a Q-Max LNG carrier. The Q-Max is the largest LNG vessel class in the world and has the ability to deliver 266,000 cubic metres of LNG.

The Tianjin LNG Receiving Terminal is owned and operated by the China Petroleum & Chemical Corporation (Sinopec), one of China's largest state-owned enterprises. The terminal has a capacity of six million tonnes per annum (MTPA) and is



currently being expanded to handle up to 10.8 MTPA by 2022. The Tianjin LNG receiving terminal received its first LNG cargo in February 2018 and has received more than 200 LNG cargoes so far.

Currently China has a total of 22 LNG receiving terminals (including 3 small scale terminals), 11 of which can accommodate Q-Max LNG vessels. Qatargas has to date delivered LNG cargoes to 13 LNG terminals in China. Ever since the first LNG cargo was delivered to China in September 2009, more than 62 million tonnes of LNG was delivered to China in total.

Al Mafyar is the first Q-Max LNG vessel to call at the Tianjin LNG receiving terminal and the 100th LNG vessel to call at the terminal in 2020.

Source: Qatargas

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## **Maritime Disputes in the Eastern Mediterranean: The Way Forward by Dr. Roudi Baroudi**



Now available in English at Brookings Institution Press.  
Coming soon in Arabic, French, and Greek.

Using satellite imagery, international law, and geodesic research, **Roudi Baroudi** walks readers through a road map for peaceful and responsible resolution of maritime boundary disputes in the Eastern Mediterranean. The volume draws upon the United Nations and its associated treaties, courts, and other institutions that have developed bodies of law and procedures to facilitate negotiation. **Dr. Baroudi** points to rapid advances of science and technology as the means to take the guesswork out of boundary delineation, making this route more reliable and user-friendly than ever before.

*"An expert commentary and seminal work."*

– **Ambassador John B. Craig**, Senior Fellow, Transatlantic Leadership Network; former Special Assistant to President George W. Bush for Combatting Terrorism, and former United States Ambassador to Oman

*"Baroudi makes a powerful case for compromise so that the*

*states of the region can move beyond their costly disputes and reap the rewards of cooperation. Dr. Baroudi's approach has much to teach us and will hopefully contribute to peaceful progress, if only the opposing sides will listen."*

– **Andrew Novo**, Associate Professor of Strategic Studies at the National Defense University

*"...The countries of the region, as well as the United States and the European Union, should embrace Baroudi's approach to reduce frictions and realize the benefits of this energy bounty."*

– **Douglas Hengel**, Professional Lecturer in the Energy, Resources and Environment Program Johns Hopkins University, SAIS and Senior Fellow at the German Marshall Fund

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## **Opec+ gets scant relief from vaccine as ministers meet**



Bloomberg/London

Oil markets may be cheering the prospects of a coronavirus vaccine, but Opec+ can't celebrate. Crude prices have rallied to a 10-week high on hopes that Pfizer Inc and BioNTech SE's breakthrough could soon revive the flights, car journeys and other economic activity that underpin fuel consumption.

Nonetheless, the alliance of producers is discussing a delay of the supply boost they'd hoped to make in January. Oil demand is currently suffering a fresh blow from a resurgence of the pandemic.

Ministers are focused on a postponement of three to six months, according to delegates familiar with the talks who asked not to be identified. They'll hold an interim meeting on Tuesday to review the market, then make a final decision in a further two weeks.

### **Frightening pullback**

"This is the wrong time to be increasing crude supply," Bob McNally, president of consultant Rapidan Energy Group and a former White House official, said in a Bloomberg television interview. "They really almost have no choice now but to postpone. The demand pullback in Europe is frightening."

While the vaccine progress relieves some of the pressure on

the Organization of Petroleum Exporting Countries, it won't provide a significant boost to demand until the second half of 2021 next year, according to the International Energy Agency in Paris. Economic fallout from the latest wave of lockdowns will linger, Opec said in a report. The 23-nation alliance had intended to ease some of the unprecedented supply curbs introduced in May to offset the collapse in demand, restoring 2mn barrels a day of output at the start of next year. They made a similar increase over the summer as the global economy recovered, and hoped that the trend would continue.

But in recent weeks Opec+ members have acknowledged those aspirations look unfeasible. Instead, the producers look set to keep about 7.7mn barrels a day – roughly 8% of global supply – off-line for a little longer.

### **Critical cut**

Deferring the supply boost – and thus supporting prices – may be critical for Opec+ nations, many of which need oil prices far above the current level of \$43 a barrel in order to cover government spending. It would also throw a lifeline to the wider industry, from majors like Exxon Mobil Corp to independent companies in the US shale patch.

Saudi Arabian energy minister said on November 9 the producers can “tweak this agreement” as required. Algeria, which holds Opec's rotating presidency, and group secretary-general Mohammad Barkindo made similar remarks.

Even Russia, usually reluctant to forego oil sales, has signaled support. President Vladimir Putin said on October 22 that delay was an option, and even gestured at the possibility of making deeper production cuts if necessary. Further curbs don't appear needed so far, delegates say. “The lockdowns in Europe and what that will mean for demand will be very much on their mind,” Daniel Yergin, vice chairman at IHS Markit, said in a Bloomberg Television interview. “The easiest thing for them to do, and as President Putin signalled, is to roll it over.”

While the Joint Ministerial Monitoring Committee that convenes



on Tuesday won't set policy, Riyadh and Moscow may give some insight into their thinking before the main ministerial meetings on November 30 to December 1.

### **Supply headache**

Faltering demand isn't the only headache for the alliance, which is also having to reckon with a surprising increase in supply from one of its own members.

Libya, which is exempt from the agreement to restrain production, has revived output to the highest level in almost a year after a truce in its civil war. The North African nation tripled supply to 450,000 barrels a day last month, and is now pumping above 1 million a day.

The case for extending curbs, though persuasive, could still run into opposition.

One flash-point may be the millions of barrels of outstanding cuts still due from some members, which were supposed to be completed by the end of the year.

Opec+ nations that flouted their output quotas in the initial months of the agreement, such as Iraq and Nigeria, have been tasked with "compensation cuts." After making some tentative efforts at these, Baghdad defiantly ramped exports back up last month.

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## **GECF ministers upbeat on natural gas outlook despite pandemic**



The full promise of natural gas will unfold once the world is past the coronavirus pandemic, upbeat energy ministers of the leading gas exporting countries said at a recent GECF 'Ministerial Roundtable' held virtually

The full promise of natural gas will unfold once the world is past the coronavirus pandemic, upbeat energy ministers of the leading gas exporting countries said at a GECF Ministerial Roundtable held recently.

Natural gas is available in abundance, flexible enough to reach far-flung corners of the globe and less polluting to the environment.

As a sideline event to the 22nd Ministerial Meeting held under the auspices of Algeria recently, the virtual dialogue aimed to confront the array of challenges brought on by Covid-19 and the opportunities that are expected to propel natural gas to the top of the global energy mix by 2050.

The gathering of policymakers from the 20-member grouping featured two separate themes of short- and long-term perspectives, with the first session held under the title of "Natural gas in a post-Covid-19 world: A short-term view", and the second entitled "Natural gas: a transition fuel or a destination?"

The first session was moderated by Stuart Elliot (S&P Global Platts) while Dr Bassam Fattouh (Oxford Institute for Energy Studies) was the second session moderator.

In his opening speech, Abdelmadjid Attar, Minister of Energy

of Algeria, said, "I wish to underline the important role of natural gas in satisfying world energy needs. Natural gas is widely available. It is clean. It improves air quality, emits much less carbon dioxide than coal. It is flexible. These qualities of natural gas are recognised by many, if not all"

Attar, whose country is regarded as a pioneer in LNG with the first liquefaction plant commissioning in Arzew, Algeria in 1964, considered access to modern energy and protection of environment as two pressing issues.

"We need to ensure that the pandemic will not hinder progress on these two challenges. I wish to encourage the gas industry to strengthen its efforts in dealing with the issue of methane emission. This is important for natural gas to play a more important role in the energy transition that the world has engaged in," explained Attar, while adding that Algeria's vast gas resource will witness \$20bn worth of investment in the next years.

GECF secretary general Yury Sentyurin advanced these comments by noting that natural gas is an energy option that achieves a harmonious balance between the environmental, social, and economic dimensions of sustainable development.

"GECF members are committed to strengthen global energy security as reliable suppliers of natural gas in order to meet the world's growing energy demand. They showcased remarkable determination in their fulfilment of all contractual obligations to the customers. This indicates confidence in the strength of their economies and abilities to absorb major economic crises, notwithstanding numerous challenges and decline in revenues," Sentyurin noted.

GECF's Global Gas Outlook 2050 shows natural gas is growing at its fastest-ever rate and will become the largest global primary energy source by mid-century, from 23% today to 28% 2050.

Long-term demand is expected to grow by a remarkable 50%, from 3,950bn cubic metres (bcm) in 2019 to 5,920bcm in 2050.

Asia Pacific, North America, and the Middle East will carry more than 75% of this expected spur in demand.

Whilst the future looks promising, the short-term outlook seems dotted with perils for an industry being troubled by oversupply, bulging inventory, and now an economic recession.

Experts at the Roundtable noted that in 2020, for the first

time in more than a decade, global gas consumption was expected to decline by 2 – 3.5% from the 2019 level. This slump in gas consumption has been driven by a combination of notable events, including above-normal temperatures in the northern hemisphere, weaker gas demand from the power, commercial, and industrial sectors due to lockdown measures, and weaker economic growth.

Next year, global gas demand is expected to grow between 1.5 – 4%, but will depend mainly on the extent of lockdown measures associated with the resurgence of the pandemic, the recovery in gas demand lost due to Covid-19, as well as the weather condition in the upcoming winter.

For the medium term, sustained growth in developing Asian countries, particularly China and India, are expected to contribute to an uptick in gas consumption in the coming years.

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## **Mediterranean crisis calls for ‘civilized solution’, energy expert tells EU-Arab gathering**



*'Do we want the benefits of our own rightful shares more than we want to deny the same benefits to our neighbors?'*

ATHENS, Greece: The latest legal and technological tools can resolve rival claims in the Mediterranean without anyone firing a shot, a veteran of the region's energy industry told a conference in Athens on Monday.

"We have both the legal mechanisms and the high-precision mapping technologies to draw up fair and equitable boundaries at sea," Roudi Baroudi said in a speech to the 5<sup>th</sup> European Union Arab World Summit. "That means that countries in the Mediterranean region can settle their differences amicably, setting aside the costly and ultimately self-defeating ways of war."

Appearing via Zoom from Doha, Qatar, Baroudi said the region had a long history of spawning great civilizations, but that each of these had squandered their good fortune by make war on their neighbors.

Thanks to huge deposits of natural gas having been found beneath the Mediterranean, he noted, "the region faces another



crossroads", largely because "the vast majority of maritime boundaries in the Mediterranean remain unresolved." With neighboring states laying claim to the same undersea real estate, Baroudi said the resulting "patchwork of claims and counter-claims" only served to hamper all parties by jeopardizing their respective offshore oil and gas activities.

With more than four decades in the business – including significant experience in both the public and private sectors – Baroudi has become a leading proponent of the East Med's emergence as a major energy producer. Having long argued that safe and responsible exploitation of the resource in question would allow regional countries to make historic gains, both at home and abroad, his most recent interventions have focused on how to draw fair and equitable boundaries at sea. In fact, his book "Maritime Disputes in the Eastern Mediterranean: The Way Forward" is widely regarded as the most authoritative guide to the current situation.

Currently serving as CEO of Energy and Environment Holding, an independent consultancy based in Doha, Baroudi said all parties need to be honest with themselves by answering single question: "do we want the benefits of our own rightful shares more than we want to deny the same benefits to our neighbors?"

Those that want to focus on getting their share, he argued, need to put their faith in the United Nations Convention on the Law of the Sea.

*Roudi Baroudi is CEO of Energy and Environment Holding, an independent consultancy based in Doha.*

*He also is the author of "Maritime Disputes in the Eastern Mediterranean: the Way Forward", published earlier this year by the Transatlantic Leadership Network and distributed by the Brookings Institution Press.*

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# 5th EU- Arab World Summit – Maritime Borders in the Mediterranean: the Cradle of Civilization Deserves a Civilized Solution



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## FOR TURKEY AND GREECE, SHARED

# TRAGEDY COULD SAVE LIVES IN THE LONG RUN



By Roudi Baroudi

The deadly earthquake that struck Greece and Turkey on Friday has brought out the best in the two countries' leaders, who have exchanged not only condolences, but also offers of assistance.

Like other natural disasters, this one showed no regard for national borders. Most of the casualties and damage took place in the Turkish city of Izmir, but the epicenter was located beneath the seabed in Greek waters, and the two Greek youths who perished did so on the island of Samos, which lies less than 2 kilometers off the Turkish coast. Far from discriminating between the two neighbors, then, the quake was a (literally) jarring reminder that their fates are inextricably intertwined.

And yet, the mutual goodwill expressed by Turkish President

Recep Tayyip Erdogan and Greek Prime Minister Kyriakos Mitsotakis owed most of its newsworthiness to the acrimony which has otherwise defined their relationship of late: most of their recent exchanges have involved accusations and even thinly veiled threats over rival territorial claims at sea.

The dispute is not new, but in recent years its urgency has grown exponentially due to discoveries of enormous oil and (mostly) gas deposits in the Eastern Mediterranean. Far from eliciting offers to exchange resources and expertise – in a deepwater setting that will require massive upfront investment and world-class technical capabilities – the two sides have approached the matter as zero-sum game. Each is behaving as though any gains it achieves can only come by inflicting equal-size losses on the other, but given the realities of the dispute, nothing could be further from the truth.

Already, the mere fact of their having not progressed to negotiate a maritime border treaty – one allowing both parties to get on with the businesses of exploration and development in their respective zones, and perhaps in some joint areas as well – is costing a lot of money, and not just in terms of time lost to unnecessary delay. The absence of an agreement also means that whenever the Turks send their seismic research vessel, the Oruc Reis, to study the seabed in disputed waters, they also have to bear the cost of an armed escort. They may take solace in the fact that the Greeks are also paying heavily to monitor their activities, but there are no winners in such a contest. Both countries are only ensuring that whoever eventually finds, extracts, and sells the resources in question, the venture will have been less profitable than it should have been.

Similar obstacles apply to just about any scenario in which Athens and Ankara fail to delineate a mutually acceptable border and try to act unilaterally. Investors loath uncertainty, so any offshore blocks they auction off will fetch less money than they would if the dispute were settled.

Underwriters are equally suspicious of oil and gas operations in potential war zones, which means that even if insurance can be obtained for ships, drilling rigs, and any other equipment, the price is likely to be exorbitant – and this is not to mention the cost of liability coverage relating to life and limb, environmental consequences, etc.

Why would anyone opt for such a murky, risky, and uncertain venture when a much clearer, safer, and surer one is so close at hand? From any conventional business perspective, the far superior route is to negotiate a mutually beneficial solution that gives both parties the ability to make plans and implement them without fear of delay or interference.

A generation or two ago, there might have been an excuse for one or both countries to question the advisability of an early settlement, but not anymore: not when the United Nations Convention on the Law of the Sea (UNCLOS) sets out clear standards for the fair and equitable resolution of maritime boundary disputes; not when satellite imagery and data processing technologies allow virtually all nation-states to obtain high-precision maps ahead of time; not when we have such an extensive background of previous cases and established precedent to indicate in advance what an eventual settlement will look like.

If they have not already done so, both countries can commission a company like Fugro to carry out a Law of the Sea study and, within a few weeks, know within a few centimeters where their maritime boundaries should lie. If there are compelling reasons to alter the legal or data inputs that produce these results, they can negotiate swaps and/or designate certain areas for joint management or even shared sovereignty. Whatever the solution, it will be better than the bellicose rhetoric and high-seas brinkmanship on which they have recently relied.

Right now the priority has to be on search and rescue, saving



any lives that can still be saved, taking care of those made homeless by the quake, and determining the full extent of the damage caused by the quake. Nothing should delay this process.

Once the danger has passed and the vulnerable have been secured, however, Greece and Turkey should follow their own example in this post-quake period by moving to defuse tensions and start talking about how to resolve their differences quickly, practically, and peacefully. Why waste any more time, expend any more resources, or risk any more lives when a negotiated solution is so easily obtainable?

Roudi Baroudi, a four-decade veteran of the energy business and CEO of Doha-based Energy and Environment Holding, is the author of "Maritime Disputes in the Eastern Mediterranean: The Way Forward", published by the Transatlantic Leadership Network and distributed by the Brookings Institution Press.



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