

# Control of offshore gas and oil provokes conflicts in eastern Mediterranean

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The dispatch of Turkish troops to Libya, the bitter dispute between France and Italy over military policy at December's NATO summit in London, and the formation of a French-Greek military alliance against Turkey indicate the extent to which oil and gas have become the source of ever widening conflicts.

While it was popularly understood that the US/UK-led invasion of Iraq was a war for oil, this is less well understood in the case of Libya, which contains the largest deposits of oil in Africa and in 2010 was one of the 10 largest oil producers in the world. The struggle for Libya and its oil has now, moreover, become embroiled in the escalating conflict over the newly discovered gas fields in the Levantine Basin.

A new "scramble for Africa" is being tied into a new "scramble" for the eastern Mediterranean, as Turkey, Greece, Israel, Egypt, Cyprus, Lebanon and the European powers compete over gas exploration, production licenses and pipelines.

## Gas fields

According to a US Geological Survey report published in 2010, the Levantine Basin, which straddles the maritime borders of Cyprus, Egypt, Israel, Palestine, Lebanon and Syria, contains an estimated 1.7 billion barrels of oil and 122 trillion cubic feet (tcf) of gas. It estimates that eventually there will be enough gas to meet regional and European power demand for decades.

In 2009 and 2010, Israel discovered gas reserves of 11 trillion cubic feet in the Tamar field, and 22 tcf in the Leviathan field, ensuring sufficient capacity for both its domestic needs and exports, although some of these fields lie in waters claimed by Lebanon and Gaza.

In 2011, Cyprus discovered an estimated 8 tcf of gas reserves in the Aphrodite field. With Turkey claiming ownership of the natural resources around Cyprus, divided between Turkish and Greek zones since the 1974 war, this heightened tensions in the region, leading to violent ship collisions and even the suspension of drilling in 2016.

By far the largest field in the region is Egypt's Zohr field, discovered in 2015, with an estimated 30 tcf. Located north of the Suez Canal, it is owned jointly by Italy's Eni (50 percent), Russia's Rosneft (30 percent), the Anglo-American BP (10 percent) and Egypt's Mubadala Petroleum (10 percent). Last week, Egypt signed a \$43 million oil and gas exploration deal with the German company Wintershall DEA to explore oil and gas in the East Damanhour Bloc in the Nile Delta.

In 2019, Egypt produced a record 2.52 tcf of gas—up by more than 30 percent since 2016—making it one of the biggest producers in North Africa and the Middle East. It exported 172.8 billion cubic feet (bcf) of gas.

Egypt is seeking to become a vital link for energy trading between the Mideast, Africa and Europe. It has two large-scale gas export terminals at

Iduku and Damietta, the only ones in the eastern Mediterranean, which cool gas into liquids for export by tankers. Owners Royal Dutch Shell intend to use them to re-export gas produced by neighboring countries that do not have such terminals, strengthening Egypt's economic ties with Israel and Jordan as it becomes a crucial partner to Europe.

Last month, Israel, which has no liquefaction terminals, began exporting gas to Egypt. The smaller Karish field will go online next year with its own pipeline to Egypt. While some of the gas will be sent back to fuel Israel's power and manufacturing plants, most will be exported.

Israel had previously imported up to 40 percent of its gas from Egypt. The new arrangements followed the signing in 2018 of a deal to pipe \$19.5 billion of offshore gas to the Egyptian export terminals by Israeli oil company Delek Drilling and Noble Energy of Houston, which together own Israel's Leviathan and Tamar gas fields.

The terms of the deal, beneficial to Israel and brokered by the US, enabled Egypt to reduce the cost by \$1.3 billion of the \$1.76 billion it was legally required to pay Israel in compensation following the disruption to its contracted gas delivery after multiple insurgent attacks on its pipelines in 2011-12 by militant Islamists in the Sinai Peninsula. The deal involves a raft of shadow companies, registered in tax havens and linked to Egypt's military.

Last year, Egypt signed a deal with Jordan to provide half its gas needs via the 1,200-kilometre-long Arab Gas Pipeline. Built in 2003, the overland pipeline has been extended to Israel via a 100-kilometre-long subsea section connecting Arish in Egypt to Ashkelon in Israel.

There are also small gas reserves off Gaza's territorial waters. But it became impossible to carry out any exploration after Israel's blockade of Gaza following Hamas' success in the 2006 elections and its standoff with the Fatah-dominated Palestinian Administration in the West Bank. In 2015, the license holders, which included BP and Shell, transferred their stakes to Palestinian state companies.

Lebanon is believed to hold gas reserves of 96 tcf and oil reserves of 865 million barrels, but has been slow to explore its offshore resources, in part because of the great depth of its waters, the high cost, unresolved maritime border disputes with Israel, Syria and Cyprus and the country's political instability. However, a consortium made up of France's Total, Italy's Eni and Russia's Novatek is expected to start drilling in the Block 9 concession by the middle of this year, with next January set as the closing date for five more offshore blocks.

Syria is thought to have substantial energy resources in the Levantine basin, but it suspended exploration after the outbreak of the US-orchestrated proxy war for regime change in 2011. Russia, in the absence of any other bidders, took all the oil and gas contracts as its quid pro quo for supporting the Syrian regime, signing long-term agreements in return for 25 percent of total production. With the upgrading of its air and naval bases at Khmeimim and Tartus on Syria's coast, Russia's entry into the Levantine Basin adds another player into a region of competition and conflict.

## Competing pipelines and alliances

Gas pipelines, owned by two competing geostrategic alliances, have caused tensions to rise markedly. Each seeks to secure a dominant position in European energy markets that are trying to eliminate their dependence on coal and oil by turning to gas.

The first is a new Russian-Turkish pipeline aimed at increasing Russia's natural gas exports and raising Turkey's status as an energy transit hub to Europe. Last month saw the inauguration of the first leg of TurkStream, an undersea pipeline running 930 kilometres (578 miles) from the Russian Black Sea coast to Kiyikoy, northwest of Istanbul, that will carry 15.75 billion cubic metres of Russian gas a year to Turkey for domestic consumption.

Another proposed pipeline, announced last July, will carry a similar amount via Turkey, Bulgaria, Serbia and Hungary, not through Greece as originally planned, further cementing Europe's dependence on Russian gas. Together with the nearly completed Nord Stream 2, which carries gas via the Baltic Sea to Germany, they enable Russia's Gazprom to send gas to Europe, bypassing Ukraine.

The second pipeline is one linking Israel and Cyprus' gas fields to Greece that would transport the eastern Mediterranean's rising liquefied natural gas (LNG) to the European Union (EU) and is backed by the US.

On January 3, Greece, Israel and Cyprus agreed to build a 1,900-kilometer (1,200 mile) EastMed pipeline through deep waters, at a cost of around €6-7 billion, to transport gas to Europe via Greece and Italy. The pipeline will run from Israel's Leviathan gas field via Cyprus, Crete and the Greek mainland and is due for completion in the mid-2020s. Conceived in 2015, it is aimed at limiting Turkey's influence in the region.

The three countries, part of the East Mediterranean Gas Forum, established by Cairo last July that includes Egypt, Jordan, the Palestinian Authority and Italy, are seeking to establish a regional gas market and an exporting hub to Europe. This would cut across Egypt's ambitions to establish itself as an export hub, with an agreement in 2018 to construct a pipeline to Cyprus' Aphrodite field.

In addition, DEFSa, Greece's gas transmission system operator, having completed the expansion of its LNG terminal, the only one in southeast Europe, is now building compressors that will enable it to pump gas north into Bulgaria via the Trans-Balkan Pipeline and export US LNG to the Balkans. Exports are set to expand when the Gas Interconnector Greece-Bulgaria (IGB) project starts next year, in competition with TurkStream 2. It will avoid dependency on the Trans Adriatic Pipeline (TAP), which will start sending natural gas from Azerbaijan to Italy via Turkey and Greece.

These plans also clash with Turkey's plans to extend its control over energy resources in the region through its drilling for gas off the far west coast of Cyprus toward the southeast of the Greek island of Crete, Israel and Libya's offshore waters. Ankara's drilling operations are expected to be accompanied by a naval task force comprised of at least one frigate, two or three gunboats, and a submarine, as it seeks to acquire another drilling ship.

Russia, with its large oil and gas reserves, is Europe's main energy provider, supplying 41 percent of its overall consumption. Hence its concern over gas exports from the eastern Mediterranean to Europe, because of the potential impact on its market share and energy prices. Russian President Vladimir Putin is expected to oppose such a project unless Russia is involved.

The EU, for its part, lacking its own energy resources and anxious to avoid dependency on Russia, has fast tracked its approval process for the

pipeline.

The agreement to build the EastMed pipeline came just weeks after Turkey signed two agreements in November with Fayed al-Sarraj's Government of National Accord (GNA), the internationally recognized government of Libya that is backed by Turkey, Qatar and Italy.

The GNA has little popular support and controls the capital Tripoli that has been surrounded by former CIA asset and warlord General Khalifa Hifter, whose Libyan National Army (LNA), backed by France, Egypt, Saudi Arabia, the United Arab Emirates, Sudan and Russia, controls eastern Libya and its oil fields.

Under the first Turkey/GNA agreement, Ankara pledged military support for Sarraj's beleaguered government. A second agreement in return delimited maritime zones between the two countries, vastly expanding Turkey's territorial waters, which Greece and Cyprus also claim, denying the claims of Crete, Rhodes and other islands, and blocking the route of the proposed pipeline.

Since then, Ankara has expanded its gas exploration efforts and sent forces to Tripoli, including Islamist militiamen from Idlib province in Syria, where they were deployed as part of the NATO proxy war but are now surrounded by Syrian and Russian troops.

Turkish President Recep Tayyip Erdogan told reporters, "Turkey and Libya will be working jointly at present, but we could take a third, a fourth and perhaps a fifth partner on board. We are in agreement with Sarraj on this."

He indicated that Somalia had offered Turkey joint oil exploration in its waters. Erdogan has also sought to enlist support from Tunisia and Algeria, as part of his declaration that 2020 is "Africa year," offering help with offshore gas exploration as bait.

At the end of last month, Turkey's Defence Ministry reported that two of its frigates off Tripoli had rescued 30 migrants from a dinghy in high seas and handed them over to the Libyan coast guard during NATO's Operation Sea Guardian in the region. This was a message to European countries, particularly Germany, that the GNA and Turkey—with their support—would be an effective means of curbing the flow of migrants from Libya to Europe. It may indicate Ankara's willingness to mend its relations with Europe in the wake of its rift with Moscow over Syria's defeat of Turkey-backed Islamists in Idlib province.

## Ever widening conflicts

These developments have largely taken place outside the control of Washington. The US views with mounting concern Russia's expanding influence in a region it once controlled, especially following its disastrous wars of aggression in Iraq, Libya and Syria, and with Turkey's closer relations with Russia and Iran, to the extent that it supported the 2016 coup against Erdogan. Embroiled in economic and trade disputes with the EU, it is trying to push the sale of its own LNG to Europe as an alternative to Russia.

The Trump administration is working through its local attack dogs and proxies, particularly Israel and latterly Greece. It is actively supporting its allies' access to the region's gas and Israel's key role in exporting gas to its local clients Jordan and Egypt—acting as the chief broker in Israel's gas agreements.

US corporations are engaged in some of the consortia directly involved in exploration, production and transportation and insuring the contracts. The Trump administration helped broker the original agreement to sell gas to Jordan and agreed to compensate Jordan through US aid money should popular opposition disrupt the deal.

In December, President Donald Trump approved the East Med Security

and Energy Partnership Act that allows the US to support the Israel-Greece-Cyprus partnership through defence initiatives and lift the longstanding arms embargo on Cyprus, antagonizing Turkey, a key NATO-ally.

Energy minister Yuval Steinitz explained in welcoming Israel's export of gas to Egypt, "Egypt is just the beginning. The plan is that much of the gas will be exported via Egypt to Europe, too."

The EastMed pipeline serves to wean Europe off its dependency on Russia for its energy needs, as well as limiting Greece and Cyprus' trade and investment deals with Moscow. In December, Trump signed into law a defence bill that includes sanctions, imposed by the US Congress, on the construction of both the Nord Stream 2 and TurkStream pipelines. These are part of a raft of measures aimed at choking Russia's economy which is largely dependent upon the sale of arms and energy. As a result, construction on the nearly completed Nord Stream 2 has come to a halt, infuriating Germany and exacerbating tensions between Washington and Berlin visibly on show at the NATO Security Conference in Munich.

Greece violently objected to the Turkish-Libyan deal signed last year, expelling the Libyan ambassador to Greece in protest. *Kathimerini* wrote that the Greek and Greek Cypriot governments hurried to finalize the EastMed deal in order "to counter any attempt by the Turkish neighbour to stop the project."

According to Greek reports, there has been a dramatic increase in the number of violations of its airspace by Turkish fighter jets. Turkish hackers paralysed the websites of the Greek Foreign Ministry and secret service, prompting Greek retaliation.

Such are the tensions between the two NATO members, which were on the verge of war in the 1990s, that the White House called on Greece and Turkey to resolve their differences. Despite this show of impartiality, US Secretary of State Mike Pompeo signed deals last October to build major new US military bases in Greece, saying Washington needs them "to help secure the eastern Mediterranean."

It was the fear that Russia and Turkey would gain influence in Libya that led Germany to assemble the European powers in a conference in Berlin last month, ostensibly aimed at bringing peace to the civil-war torn country. The Berlin conference agreed to extend the ceasefire, established earlier through the mediation of Russia and Turkey, permanently and to the demobilization and disarming of the militias and monitoring of an arms embargo violated by everyone.

This cynical gathering can only be the prelude to a military occupation of the country to assert the European powers' predatory interests. EU foreign policy head Josep Borrell, declared a priori, "If there is a ceasefire in Libya, then the EU must be prepared to help implement and monitor this cease-fire—possibly also with soldiers, for example as part of an EU mission."

"We Europeans, since we don't want to participate in a military solution, we barricade ourselves in the belief there is no military solution," he told the European Parliament. "Nobody will be very happy if, on the Libyan coast, there is a ring of military bases from the Russian and Turkish navies in front of the Italian coast."

Days later, France stepped in to assert its interests, dispatching French warships to the Aegean Sea and announcing the formation of a French-Greek military alliance.

It too has supported Hiftar and his LNA in eastern Libya against the Tripoli-based GNA, where the French oil giant Total has important oil interests, bringing it into conflict with Italy, whose oil company Eni is the largest oil and gas producer in Libya. France, which is dependent upon Hiftar's support for its colonial wars in the Sahel, denounced Turkish policy in Libya, threatening to support Greece in a war with Turkey.

President Emmanuel Macron accused the Turkish president of "not respecting his promises" in Berlin, saying that "at this very moment" Turkish ships are taking Syrian Islamist mercenaries to Libya "in

violation of explicit engagements taken by President Erdogan at the Berlin conference." He added, "This threatens the security of all residents of Europe and the Sahel."

After discussion with Macron, Egypt, which supports Hiftar, denounced the Turkey-GNA accords as "illegal foreign intervention" in Libya. On Monday, just weeks after the Berlin conference, the EU agreed to launch a new naval and air mission in the eastern Mediterranean, in international not Libyan waters, to stop arms reaching both factions in the Libya, re-establishing the arms embargo first imposed in 2011.

Austrian Foreign Minister Alexander Schallenberg, whose government opposes any immigration from Libya to Europe, insisted that the mission would not support or help migrants seeking to enter Europe. He said, "There is a basic consensus that we now want a military operation and not a humanitarian mission."

The eastern Mediterranean, including North Africa, has become the focus of ever widening conflicts, with all the imperialist and regional powers determined to pursue their own rapacious demands for control over the region's wealth and resources.

As US Defense Secretary Mark Esper warned at the Munich Security Conference, "We are now in an era of Great Power Competition," meaning that "we must move away from low intensity conflict and prepare once again for high-intensity warfare."

The stage is being set for explosive conflicts, potentially encompassing three continents, over the domination of North Africa and the Mediterranean Sea. But the eastern Mediterranean is only one of a number of potential flashpoints—the Horn of Africa, South China Sea or the Arctic to name but a few—where these competing strategic interests could lead to an all-out confrontation between major military powers, including nuclear-armed imperialist states. As far as the major powers are concerned, the entire world is in play, with devastating consequences for humanity.



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