Natural Gas Issues Provide Hope and Conflict in the Eastern Mediterranean

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With energy markets already in tumult partly because of events in Ukraine and Iran, not to mention the OPEC production cut, another area of the world is now being convulsed by energy issues, with the prospect of natural gas providing both hope and conflict in an unsettled region. That area is the Eastern Mediterranean.

The first flash point is the area to the west of the Israel-Lebanon maritime border. Two natural gas fields, the Karish and the Qanaa, have been discovered which the parties would like to develop, if only they could determine who owns what portions of the gas based on where, exactly, it is located. The Karish field appears to be within Israeli waters, while the Qanaa field straddles the claims of both countries.

Of course, the countries have been technically at war since Israel's founding in 1948, and no real border has ever been agreed to by either country. Further complicating the matter is that, over the last forty years, Lebanon has become home to the Iranian-backed Shiite terrorist group known as Hezbollah, who makes no secret of its hatred of and desire literally to destroy Israel.

Notwithstanding, for months, American mediator Amos Hochstein has attempted to broker a deal between the two countries. On Monday, it appears that he finally succeeded, as Israel and Lebanon both agreed to the latest American proposal.

Wasting no time, Lebanese Energy Minister Walid Fayyad announced that the French energy company Total will begin working on the Qanaa field exploration immediately. Despite this news, and unfortunately for Lebanon, the country remains a long way from seeing any energy revenue to help an economy that has been undergoing the worst collapse of any nation in decades.

In fact, the energy sector in Lebanon is one the most corrupt areas of business in a country already well known for its corruption. And, of course, Lebanon further needs to deal with the presence of Hezbollah, mentioned above, whose chief objective often seems to be less about improving the lives of the Lebanese and more about destroying Israel.

Throughout the negotiation process, Hezbollah threatened the Lebanese government against any real deal with Israel, and this summer it sent drones to try to stop Israel from beginning work on production from the Karish field. However, with the Lebanese economy in near total collapse, thanks in no small part to Hezbollah's previous actions as a state within a state, and now with its benefactor Iran facing massive internal protests, Hezbollah seems not to have been able to prevent Lebanese President Michel Aoun from pressing forward with the current deal with Israel.

As for Israel, it has its own internal political drama. Former Prime Minister and member of the conservative party, Likud, Benjamin Netanyahu, has demanded that Israel not reach an agreement with Lebanon that might result in any money reaching Hezbollah. Nevertheless, current Prime Minister Yair Lapid, founder of the liberal-centrist party Yesh Atid, has pressed ahead, backed by the Israeli military.

Before the deal was announced, earlier this week, the London-based energy firm Energen started testing pipes between the Karish field and Israel.

Lapid has stated that should Hezbollah try to stop energy production; it would be an act of war against Israel. As Hezbollah remains part of the Lebanese government but is also an entity apart, it is still unclear what its next move will be. Stay tuned.

If that wasn't enough drama, the Greek and Egyptian foreign ministers met on Sunday and condemned an agreement signed last week between Turkey and one of the factions claiming to rule Libya giving Turkey rights to develop natural gas fields located in the sea of the eastern portion of Libya.

The deal was reached by Turkey's impetuous leader Tayyip Erdogan and a Libyan faction headed by Abdulhamid Dbeibah, one of two factions claiming to be the legitimate rulers of Libya.

Libya has the largest oil reserves in Africa and the nation has historic ties to Turkey that stretch back to the Ottoman Empire. In 2019, the two countries signed a broad agreement that seemed to ignore other countries while Turkey and Libya, in effect, claimed much of the Eastern Mediterranean as their own economic zone. That deal was roundly ridiculed at the time, and had little practical effect.

However, this new deal concerns something concrete and already has drawn the ire of the two countries' historic rivals, Greece and Egypt. Egypt supports Dbeibah's rival for power within Libya, the eastern based Khalid's Haftar, and Greece is concerned that the deal may infringe on its sovereign territory.

All of this leads to the conclusion that, while the eyes of the world media may be on Ukraine, China and Iran, energy developments in other places may also light a fuse with international repercussions. We would be wise to take notice.

ATTORNEYS MENTIONED

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