GPOT
Global Political Trends Center
Istanbul Kültür University

Turkey and Eastern Mediterranean Hydrocarbons

Ayla Gürel & Laura Le Cornu

TURKEY AND EASTERN MEDITERRANEAN HYDROCARBONS

Ayla Gürel & Laura Le Cornu

GPOT
Global Political Trends Center
Istanbul Kültür University

TURKEY AND EASTERN MEDITERRANEAN HYDROCARBONS

Authors: Ayla Gürel & Laura Le Cornu
Design and page layout: Lenka Peťková
Cover photograph: Stanislav Peťko

Global Political Trends Center Publications
First published: October 2013

Global Political Trends Center (GPoT Center)
Istanbul Kültür University
Atakoy Campus, Bakirkoy
34 156 Istanbul, Turkey

Phone: +90 212 498 44 76
Fax: +90 212 498 44 05

www.gpotcenter.org

TURKEY AND EASTERN MEDITERRANEAN HYDROCARBONS

Ayla Gürel & Laura Le Cornu

GPOT
Global Political Trends Center
Istanbul Kültür University

Table of Contents

About the Authors

Dr. Ayla Gürel is a senior research consultant at the PRIO Cyprus Centre in Nicosia. Since 2005 she has worked on several research projects about the plight of displaced persons on both sides of the island and the associated question of property rights within the context of the Cyprus problem. She has numerous publications related to these topics. Gürel has also been involved in facilitating inter-communal dialogue on property issues. Her more recent research concerns the issue of hydrocarbons exploration and exploitation offshore Cyprus and more generally in the Eastern Mediterranean. She co-authored the 2013 PRIO Cyprus Centre report entitled 'The Cyprus Hydrocarbons Issue: Context, Positions and Scenarios'.

Dr. Laura Le Cornu is a senior research consultant on hydrocarbon issues at the PRIO Cyprus Centre in Nicosia. She is a former Government Affairs Analyst for ExxonMobil's Upstream division, advising on geopolitical risk and government relations in the Caspian and Turkey. Le Cornu spent 15 years on the ground in Azerbaijan and Turkey, working on energy publications and advising blue-chip companies such as Statoil and Google on emerging political risks. Her current research work focuses on the strategic, political and economic implications of hydrocarbon development in Cyprus and the Eastern Mediterranean region.

INTRODUCTION

With substantial gas discoveries off the coasts of Israel, and more recently, Cyprus, the Eastern Mediterranean has emerged as an important new hydrocarbons frontier.

For a number of reasons, Turkey's energy strategy, policies, and priorities will have significant impact on hydrocarbon developments in the Eastern Mediterranean. Turkey is the largest economy and domestic market for gas in the region. It has become a key transit country for the planned Southern Corridor to transport Caspian and Middle Eastern gas to Europe, and could potentially facilitate the transport of gas from the Eastern Mediterranean to European markets. However, Turkey has troublesome relations with both Cyprus and Israel – the two countries in the region with the largest proven (Israel) and potential gas reserves (Cyprus). Turkey is heavily involved as a party in the long-running Cyprus problem, supporting – including militarily – the Turkish Cypriot community against the Greek Cypriot community – the two rivals on the divided island. The discovery of gas off the coast of Cyprus by the Greek Cypriots who are at the helm of the Republic of Cyprus (RoC) has led Turkey to take determined action to support Turkish Cypriot rights to a share of hydrocarbons. At the same time, the RoC's signing in 2003 of an EEZ delimitation agreement with Egypt sparked a new conflict over maritime borders between Turkey and the RoC. Although not of the same magnitude, Turkey's relations with Israel had been in a crisis following the Gaza Freedom Flotilla incident in 2010, lasting until March 2013 when the two sides embarked on a difficult process of normalization. In addition, Turkish-Israeli relations have been further strained due to emerging energy cooperation between the RoC and Israel.

Prompted by Israeli and RoC exploration activity, in spring 2011 Turkey's energy minister Taner Yıldız declared that Turkey would shift its 'strategic weight from the Black Sea to the Eastern Mediterranean' ("Turkey, Shell", 2011). This new strategic focus was consolidated with the signing of an exploration agreement for blocks off of Turkey's southern province of Antalya with Shell in 2011. Over the past two decades, Turkey's primary focus was on exploration (both independent and in cooperation with international companies) in the Black Sea and Caspian region. Additionally, Turkey has successfully positioned itself as a key transit country for Caspian oil, and now gas to international markets. As well as seeking to secure new sources of gas from the Eastern Mediterranean region to reduce dependence on Russia and Iran, Turkey views itself as a viable transit country for export of gas from the region onto Europe.[1]

[1] Turkey imports 98% of its gas supply and is the fastest growing energy market in Europe. See Rende (2013).

[2] The pipeline was conceived in 2001 and its four phases were completed and put into operation, respectively, in 2003 (from Al Arish in Egypt to Aqaba in Jordan), in 2006 (from Aqaba to Amman and then to El Rehab in Jordan), in 2008 (from El Rehab in Jordan to Homs in Syria), and in 2009

This article examines Turkey's energy relations in the Eastern Mediterranean region (focusing on Cyprus and Israel), covering its energy activities before 2011, key political issues influencing hydrocarbons development, and implications for on-going disputes in the region. It begins with an overview of Turkey's earlier energy pipeline initiatives with Arab states and Israel, followed by a summary of recent exploration and discoveries in the Levant Basin (Israel, Cyprus, Gaza, Lebanon and Syria). Next the article analyzes how the Cyprus dispute and more recent fluctuations in its relations with Israel are shaping Turkey's energy policies in the region. It concludes by briefly exploring the extent to which the transformative capacity of hydrocarbons can play a role as an enabler for reconciliation and cooperation between Turkey, Cyprus and Israel.

TURKEY'S INVOLVEMENT IN PREVIOUS EASTERN MEDITERRANEAN ENERGY INITIATIVES

Turkey's interest in energy cooperation in the Eastern Mediterranean region goes back to its decision to participate in the Arab Gas Pipeline (AGP) project. The AGP, much hailed as a strategic Arab cooperation project, exports Egyptian natural gas to Jordan, Syria and Lebanon.[2] In 2008, a consensus was reached between Turkey, Iraq, the EU, and the Masreq countries (Egypt, Jordan, Syria and Lebanon) over extending the AGP to the Syrian-Turkish border (from Homs in Syria to Kilis in Turkey). The plan was to deliver gas to Turkey as well as potentially link the AGP via possible southern corridor transport routes, e.g., Nabucco, to the EU ("EU-Turkey", 2008). The agreement also included linking Iraq to the AGP as a source of additional gas supply to Europe. Construction of the link from Syria to Kilis began in 2009 but was never completed and the project of extension of AGP to Turkey has essentially been aborted due to the uprising and civil war in Syria (U.S. EIA, 2013a).

Another halted energy initiative in the Eastern Mediterranean which involved Turkey is the Med Stream pipeline project. In 2006 it was announced that Turkey and Israel agreed over the construction of a subsea multiple pipeline system that would extend from Ceyhan in Turkey to Ashkelon in Israel and carry oil, natural gas, electricity, water and fibre optic cables ("Turkey, Israel", 2006). The plan was to connect the Med Stream pipeline via an on-land oil and gas pipeline through Israel to Eilat at the Red Sea coast from where supplies would be carried by tanker ships to India and other Asian markets (Tommer, 2009). India too was interested in participating in the project which was promising to be a cheaper and quicker transit route for oil than the way through the congested Suez Canal.

[2] The pipeline was conceived in 2001 and its four phases were completed and put into operation, respectively, in 2003 (from Al Arish in Egypt to Aqaba in Jordan), in 2006 (from Aqaba to Amman and then to El Rehab in Jordan), in 2008 (from El Rehab in Jordan to Homs in Syria), and in 2009 (from Homs in Syria to Tripoli in Lebanon). Another pipeline branching off from the AGP and linking El Arish to Ashkelon in Israel started operating in 2008 and, until it was shut down in April 2012, supplied Israel with Egyptian gas.

However, the project could not progress much after Turkish-Israeli relations started deteriorating from 2009 onwards.

Turkey's Search for Offshore Hydrocarbons in the Eastern Mediterranean

Since 2005, Turkey has been conducting offshore exploration in its maritime waters in the Mediterranean Sea. TPAO has carried out 2D and 3D seismic surveys in offshore Antalya, Mersin and Iskenderun. In November 2011, TPAO and Shell signed joint operation agreements to conduct oil and natural gas exploration off the shores of Antalya in southern Turkey ("Turkey signs", 2011).

Turkey has recently stepped up its exploration efforts in the Eastern Mediterranean partly due to a political decision to be more visible and active in the area following increased exploration activity by other Eastern Mediterranean coastal states, especially the RoC. Turkey objects to the RoC's offshore exploration activities (more on this later). After the RoC's first exploratory drilling in 2011, in a move to bolster its capacity for offshore exploration Turkey purchased a new and technologically advanced seismic research vessel (TPAO's Barbaros Hayrettin Paşa) ("A new period", 2013) and commissioned another one to be built (for the Turkish Mining Exploration Institute—MTA) ("Turkey to produce", 2012).

Actually, the Turkish state petroleum company TPAO has licence from the Turkish government to explore in a much larger area in the Eastern Mediterranean sea which Turkey claims to be its continental shelf and which partly overlaps the EEZ claimed by the RoC in the west and south-west of Cyprus (see section 5.1.5).

Exploration and Discoveries in the Levant Basin

The Levant Basin Province in the Eastern Mediterranean is a deep marine stretch of 83,000 square kilometres which overlaps the maritime areas of Israel, Gaza, Cyprus, Lebanon and Syria (the Levant States). According to the estimates announced in March 2010 by the US Geological Survey, the Levant Basin Province holds 'a mean of 1.7 billion barrels of recoverable oil and a mean of 122 trillion cubic feet or tcf (equivalent to 3,455 billion cubic metres or bcm) of recoverable gas' (U. S., 2010). 1.7 billion barrels of oil is equivalent to over 30 per cent of the proven oil reserves of Norway, an oil exporting country; and 122 tcf of gas corresponds to about 8 per cent of the proven gas reserves of Russia, the largest in the world (CIA, 2012).

Among the Levant States, Israel is the most advanced in exploration for and development of offshore hydrocarbon resources. The RoC follows Israel, whereas Lebanon and Syria are at early stages of offshore exploration.

ISRAEL

Israel began drilling in its coastal waters as early as 1969 but major discoveries came 30 years later. In 1999-2000 Israel found gas in the Noa and Mari B fields (32 bcm). Noa has been developed only recently but Mari B, which has been supplying gas for electricity generation in Ashdod since 2004, is now nearing depletion. Israel's first internationally significant offshore gas discovery was made in the Tamar field in January 2009 (the largest global gas discovery that year), following which was the even bigger find in October 2010 of the Leviathan field (the largest global discovery in a decade). Both discovered by the US firm Noble Energy (in partnership with the Israeli Delek Group's subsidiaries, Avner and Delek Drilling), Tamar holds about 9.7 tcf (272 bcm) of gas, and Leviathan is estimated to contain 18 tcf (504 bcm) (Wurmser, 2013). These two new discoveries are enough to supply the country's gas needs for decades as well as turn it into a gas exporter. Israel's demand for natural gas was around 5 bcm in 2011 (Nathason & Levy, 2012); it is projected to increase to 12.5bcm in 2020 and to 18 bcm in 2030 (Henderson 2012). Tamar field came on stream on 30 March 2013 and is now meeting domestic need. The Leviathan field is projected to become operational in 2017. Since 2009 Israel has discovered a number of smaller offshore fields which include Dalit (7-8 bcm), Tanin (34 bcm), Dolphin (2.3 bcm) and Shimson (16bcm) (Nathason & Levy, 2012).

Israel's proven gas reserves are presently at around 28 tcf (784 bcm) while the assessment for the estimated reserves is much higher at around 50 tcf (1400 bcm) (Henderson 2012). For some time now there has been a heated debate in Israel as to what should be the country's policy of utilisation of its gas finds, i.e., whether to export gas and if so how to set a balance between ensuring a strategic reserve, domestic use and export. The Inter-Ministerial Committee for the Examination of Government Policy on the Israeli Natural Gas Economy, known as the Tzemach Committee (after its chair, Shaul Tzemach, the director-general of the Israeli Ministry of Energy and Water Resources) recommended in August 2012 that exports be allowed under certain conditions with the total amount to be exported not exceeding a cap of 53% (State of Israel, 2012).[3] Taking into account the sensitivities of those who are concerned about security of gas supply for Israel's domestic use as well as the fact that companies need to be able to export gas if they are to continue exploring for more and also invest in the development of a local gas

Turkey is the largest economy and domestic market for gas in the region. However, Turkey has troublesome relations with both Cyprus and Israel – the two countries in the region with the largest proven (Israel) and potential gas reserves (Cyprus).

[3] The basis of the committee's recommendation regarding exports was that Israel must reserve enough gas for domestic consumption that would last for a period of 25 years; an amount which was determined to be 450 bcm. Accordingly, the committee came up with the minimum percentage of gas that each field must apportion to the Israeli market, while leaving it to the developer of the field to decide whether to supply the remaining gas to the domestic market or to export it.

industry, the government decided, in June 2013, to limit the export levels to 40% of the country's current reserves (Udasin, 2013).[4]

Now there is an on-going debate in Israel about how and where to export its gas. Potential markets under consideration are Palestine, Egypt and Jordan in the immediate neighbourhood; Cyprus, Turkey and South-eastern Europe in the close region; and East Asia (Lotem, 2013).[5] Export to Israel's neighbours is seen as promoting bilateral cooperation with potential to help improve the political climate and border security. It would be done via pipelines, something technically easy to do at minimal cost given the already existing link with Egypt and the infrastructure in Jordan (Booth, 2013). As regards exports in the near region, there are two possibilities. One is to construct a pipeline to Europe via Cyprus and Greece but this project is seen by many experts as commercially and technically unviable. The other is laying a pipeline to Turkey where the gas would be domestically consumed but it would also be possible to feed it into the planned pipeline infrastructure to Europe. This choice is seen by many analysts as the most cost-efficient but politically complicated, given the poor record of progress in the restoration of Israeli-Turkish diplomatic relations which broke down in 2010 due to the aid flotilla incident (see section 5.2.1 below) (Papas, 2013). Another option is to export gas as LNG to Asia via Cyprus, where it will be liquefied at a plant to be constructed jointly. The fact that the LNG plant would be installed in Cyprus, however, appears to make this scheme somewhat problematic for Israel.[6] As regards exporting LNG to Asian markets, Israel could, of course, build a terminal at home, as indeed recommended by the Tzemach Committee (e.g., on its Mediterranean coast or near Eilat on the Red Sea coast) but this possibility suffers from practical challenges such as limited space, environmental concerns, and security problems (Papas, 2013). Export of LNG using a floating LNG (FLNG) facility has also been under consideration as an alternative that would address environmental objections to an LNG plant in Israel or political complications of situating one in Cyprus. The disadvantages of this option is the huge cost of constructing the plant, the difficulty to protect it against terrorist attacks and the fact that FLNG is a new, commercially untested technology (Henderson, 2012). In February 2013, Russia's Gazprom was reported

Now there is an on-going debate in Israel about how and where to export its gas. Export to Israel's neighbours is seen as promoting bilateral cooperation with potential to help improve the political climate and border security.

[4] The government decision regarding export levels was then challenged by a number of members of the Knesset (Israeli parliament) and some interest groups who appealed to the Supreme Court of Israel, claiming that the decision on gas exports should be made by the Knesset rather than the government (Berger, 2013). The Court's verdict, announced on 21 October 2013, upheld the government's decision (Raz, 2013).

[5] See also Trilnick (2013a).

[6] The Tzemach Committee's recommendation to the government as regards the location of export facilities was '[t]o determine an absolute preference for the export of Israeli natural gas from an export facility (offshore or onshore) in an area under Israeli control (including in Israel's exclusive economic zone)' and to allow export from a foreign area only 'in the framework of a bilateral agreement between countries' (State of Israel, 2012).

to have 'agreed in principle to finance' an FLNG facility which would export LNG from the Tamar field (Trilnick, 2013b).

GAZA

In 1999 the Palestinian Authority (PA) granted an exploration licence to British Gas (BG) for the marine area offshore Gaza with the pre-condition that surplus gas would be supplied to Israel. In 2000 BG discovered a natural gas reserve of about 1 tcf (30 bcm) in the Marine Gaza field located 30km off the coast of the Gaza Strip. In 2002 the PA approved the Gaza Marine field development plan which would involve as partners the Palestinian Investment Fund (PIF) (30%) and the Lebanese Consolidated Contractors Company (CCC) (10%) in addition to BG (60%). However, talks between the developers and Israel failed because of the latter's reluctance to pay market price for the gas it would buy ("Gaza Marine", n.d.). Thus the field has remained undeveloped until today and no further exploration has been conducted in the wider offshore area of Gaza. More recent reports talk about new plans to set up joint Israeli and PA teams that will negotiate the potential development of Gaza Marine field ("Israel, Blair", 2013).

CYPRUS

The RoC began preparing the ground for offshore hydrocarbons exploration in the early 2000s. It signed exclusive economic zone (EEZ) delimitation agreements with Egypt in 2003, Lebanon in 2007, and Israel in 2010. These agreements demarcated the outer limits of a 51 square km exploration area in the sea south of the island, which is carved into 13 blocks. The RoC launched in 2007 its first international tender for exploration licences. There were only two bids in this initial tender, and in 2008 the US-based Noble Energy was awarded a three-year licence in Block 12. After further seismic surveys, Noble Energy – which had already made a number of discoveries nearby in Israeli waters – was authorized by the RoC to carry out the first exploratory drilling in Block 12. Drilling began on 20 September 2011, and Noble announced in December 2011 the discovery of an estimated 5 to 8 tcf (142 to 227 bcm) of natural gas (with 'estimated gross mean resources of 7 tcf [198 bcm]') in what is called the Aphrodite field.

The Republic of Cyprus began preparing the ground for offshore hydrocarbons exploration in the early 2000s. It signed exclusive economic zone delimitation agreements with Egypt in 2003, Lebanon in 2007, and Israel in 2010.

In February 2012, the RoC announced a second international tender for exploration licences in the remaining 12 blocks. Encouraged by Noble's findings in Block 12, this time numerous international companies and consortia—some of them 'big' names in the energy industry—participated in the tender. Early in 2013 the RoC signed agreements with ENI-KOGAS (an Italian-South Korean consortium) for blocks 2, 3 and 9 and with the French firm Total for blocks 10 and 11.

In June 2013, Cyprus and Noble Energy announced the results of a second appraisal drilling at Block 12. Preliminary results show approximately 5 tcf (142 bcm) of natural gas, lowering the initial estimate of 7 tcf made in late 2011. The updated figures show that the offshore field holds between 3.6 tcf to 6 tcf of natural gas. 'While the A-2 location has successfully defined the northern area of the discovery, we anticipate additional appraisal activities are necessary to further refine the ultimate recoverable resources and optimize field development planning', said Keith Elliot, Noble's senior vice president for the Eastern Mediterranean region (Noble Energy, 2013).

The 142 bcm of gas the Aphrodite field is estimated to hold is enough to meet domestic gas needs for over a century. However, the RoC government, expecting to find more gas in Block 12 as well as the other 5 licensed blocks – as much as 40 tcf (over 1 trillion cubic metres) (Kaminara, 2013) – has decided to export most of the gas to be extracted from the Aphrodite field. If all of this Aphrodite gas were to be exported to the European Union (EU), based on a 25-year typical supply period, it would be enough to meet around 1.4 % of the EU's annual needs.

The RoC plans to export liquefied natural gas (LNG) partly to Europe but possibly also to Asian markets such as Japan and South Korea. The hope is to make the required liquefaction facility commercially viable by also processing gas from Israel's offshore fields as well as potentially from other RoC blocks that are currently being explored, and possibly from Lebanon in the long run (Gloystein, 2013a). In June 2013 a memorandum of understanding (MoU) was signed between the government and Noble Energy, Delek Drilling and Avner Oil Exploration to construct – initially a single production train – LNG terminal on the Island (Gloystein, 2013b). It was announced by RoC officials that Total, which has licences for RoC blocks 10 and 11, had signed with the government an 'outline deal' concerning a second LNG train ("Total signs", 2013). According to RoC Energy Minister George Lakkotrypis, ENI, which holds together with KOGAS licences for RoC blocks 2, 3 and 9, is also interested in investing in the planned LNG terminal – depending on how much gas it finds ("Cyprus: ENI", 2013). The government hopes to start exports of LNG by 2020 (Hazou, 2013).

LEBANON

Lebanon, which is behind Israel and Cyprus in the race for gas, has so far conducted 2D and 3D seismic surveys and preliminary estimates put the amount of gas in its EEZ at 25 tcf (708 bcm). These estimates and the recent discoveries by neighbouring Israel and Cyprus have attracted a large number of companies to the first offshore hydrocarbon exploration tenders ever opened by Lebanon. A total of 52 companies joined the 'pre-qualification' process before the first offshore licensing round and of these 46 companies were successful and invited to submit bids (Ayat, 2013b). Selected companies include oil and gas majors such as Chevron, ExxonMobil of the US, Anglo-Dutch Royal Dutch Shell, Italy's ENI, France's Total and Norway's Statoil (Bassam, 2013). The first licensing round opened in May 2013. It was reported that the Turkish national oil company TPAO

would participate in the bidding in partnership with Shell with which it is already cooperating in exploration in the Mediterranean as well as for shale (Verma, 2013). The Lebanese government hopes to issue exploration licences by March 2014 and expects extraction to begin in 2018. However, there are concerns that the country's complex politics might cause delays in these activities and the ongoing conflict in neighbouring Syria is seen as a threat to Lebanon's stability which is crucial for implementing its hydrocarbons development project (Ayat, 2013a).

SYRIA

Syria offered four blocks in its first offshore oil and gas exploration tenders in 2007 and received a bid only from one company, the UK's Dove Energy (Gürel et al., 2013). Another bidding round for offshore blocks began in March 2011, as Syria hoped to attract international companies after the significant discoveries in the Israeli waters (U.S. EIA, 2013b). However, to date no results have been announced and no progress is expected because of the present civil war in the country.

TURKEY AND EASTERN MEDITERRANEAN ENERGY PROSPECTS

Turkey has become increasingly more focused on the Eastern Mediterranean since about 2010. This is largely due to the recent energy-related developments in the region, especially those involving the RoC and Israel. An energy-hungry country concerned with security and diversification of its energy supplies, Turkey is clearly interested in the proven and potential natural gas reserves discovered offshore Cyprus and Israel. It is also keen to promote the idea of pipelines carrying Israeli and/or Cypriot gas to Turkey for export to European markets via the planned Trans-Anatolian pipeline (TANAP) plus Tran-Adriatic pipeline (TAP) route. However, under the present circumstances, serious political barriers exist in the way of such energy cooperation between Turkey and the RoC. A Turkish-Israeli pipeline is considered to be more likely as there is serious interest on the Israeli side too though political issues affecting the relations between the two countries complicate the feasibility of that project as well (see section 5.2.1). Another factor that has implications for Turkish-Israeli ties is the strengthening of RoC-Israeli relations from about 2010 onwards, especially in the area of bilateral energy cooperation. This is a development that aggravates Turkey for reasons linked to (a) its opposition to the RoC's offshore exploration and exploitation activities; and (b) the possibility of RoC-Israeli energy cooperation resulting in the creation of an

Turkey has become increasingly more focused on the Eastern Mediterranean since about 2010. This is largely due to the recent energy-related developments in the region, especially those involving the Republic of Cyprus and Israel.

alternative route for exporting the Levant Basin gas to Europe (dubbed by some analysts as the 'Eastern Mediterranean Energy Corridor'). In the following we look more closely at the complex political context involving Turkey, Cyprus and Israel, and the interplay between energy and politics in this region.

TURKEY AND CYPRUS

Political Context

Turkey's position vis-à-vis Cyprus differs from that of the rest of the international community. Turkey does not recognize the present Greek Cypriot-run state on the island, which is internationally recognized as the RoC. It maintains that this state is in fact a 'Greek Cypriot Administration', and not the legitimate RoC established in 1960 because the Turkish Cypriots have not been able politically to participate in it since the collapse in 1963 of the constitutional, hence bi-communal, Cyprus government (Gürel et al., 2013, pp. 33-35).

In 1974, the junta then in charge of Greece engineered a coup by Greek and Greek Cypriot forces and paramilitaries against President Makarios, with the ultimate aim of effecting *enosis* (political union with Greece). Turkey, invoking the Treaty of Guarantee,[7] intervened by sending its army to Cyprus and, negotiations for a settlement of the political conflict between the Greek Cypriots and Turkish Cypriots having failed, divided the island.[8] Since then, the northern 36 per cent of the Republic's territory has been under Turkish Cypriot administration and Turkey has kept around 35,000 troops on the island, arguing that this is needed for security reasons, until an overall agreement is reached. The Greek Cypriots (their government internationally recognized as the government of the RoC) administer the southern 62 per cent and the rest is the UN-controlled Buffer Zone.

In 1983, the Turkish Cypriots declared independence and established their own separate state, the Turkish Republic of Northern Cyprus (TRNC), in the northern part of the island. Turkey is the only country that recognizes the TRNC.[9] The Greek Cypriots consider the north to be RoC territory 'illegally occupied by Turkey and the TRNC its illegal 'puppet state'. In Turkey's and, of course, the Turkish Cypriots' view, the Greek Cypriot-run government in the south, cannot be the legitimate

[7] The Treaty of Guarantee between the RoC, Greece, Turkey and the UK is part of the 1960 Cyprus Accords that established the RoC. Under this treaty, Greece, Turkey and the UK became guarantors of the RoC's 'independence, territorial integrity and security . . . and also the state of affairs established by . . . its Constitution'.

[8] Almost all of the Greek Cypriot residents of the north fled during the war or later moved to the south with the exception of a few hundred people enclaved in the Karpas area. Similarly virtually all of the Turkish Cypriots living in the south relocated to the north.

[9] The UN Security Council Resolution 541 (14 December 1983) declared the creation of the TRNC 'legally invalid' and called upon 'all States not to recognise any Cypriot state other than the Republic of Cyprus'.

RoC government as it is not 'in law or in fact [. . .] competent to represent jointly the Turkish Cypriots and the Greek Cypriots, consequently Cyprus as a whole'.[10]

On the other hand Turkey, like the rest of the international community, supports the UN-sponsored negotiations between the two Cypriot communities for resolving the Cyprus problem. This process is aimed at establishing a joint political authority through reunification of Cyprus under a 'bi-zonal,[11] bi-communal federation with political equality [. . .] [that] will have a Federal Government with a single international personality, as well as a Turkish Cypriot Constituent State and a Greek Cypriot Constituent State, which will be of equal status' (RoC PIO, 2008). Many rounds of these negotiations over nearly four decades have yet to produce an agreement acceptable to both communities.

Positions Regarding Exploration by the RoC

Under the prevailing political circumstances on the island and based on their non-recognition of the RoC, Turkey and Turkish Cypriot authorities have persistently objected to all Greek Cypriot actions relating to EEZ delimitation and offshore exploration. The positions of the parties – i.e., Greek Cypriots, Turkey, Turkish Cypriots and relevant international actors – on this matter are as follows.

The Greek Cypriots maintain that their actions are compatible with international law. This is because, pending a political settlement in Cyprus, their government is accepted by the international community as the legitimate government of the RoC, the island's recognized state formally encompassing both the Greek Cypriots and Turkish Cypriots. As such, they maintain that the RoC is entitled to an EEZ, can sign delimitation agreements with other states and enjoys exclusive sovereign rights to explore and exploit the natural resources in its EEZ.

As regards the distribution of revenues from hydrocarbons found in Cypriot waters, the Greek Cypriot government accepts that the Turkish Cypriots, as citizens of the Republic, are co-owners of any hydrocarbon reserves that may be found offshore Cyprus but holds that they will enjoy the benefits of wealth generated from development of such finds only after a solution i.e., *within the framework of a united Cyprus* (Gürel et al., 2013, pp. 42-44). However, pending such a solution, the RoC's sovereign right to explore and extract hydrocarbons lying in its EEZ is, as one Greek Cypriot official put it, 'inalienable and non-negotiable' and not conditional on a Cyprus solution (RoC PIO, 2011).

Under the prevailing political circumstances on the island and based on their non-recognition of the Republic of Cyprus, Turkey and Turkish Cypriot authorities have persistently objected to all Greek Cypriot actions relating to EEZ delimitation and offshore exploration.

[10] The quotation is from Letter dated 23 July 2007 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General (UN Doc. A/61/1011-S/2007/456), as reproduced in Başeren (2010), pp. 118-119.

[11] According to the 1977 High Level Agreement between the parties, this entails 'two territories each administered by one community'.

More specifically, the exercise of this right is not a bi-communal issue for negotiation with the Turkish Cypriots at present, i.e., before a settlement.

Turkey, together with the Turkish Cypriots, disputes all Greek Cypriot actions relating to signing of bilateral maritime delimitation agreements, issuing of hydrocarbon exploration licences to international firms, as well as authorizing drilling operations offshore Cyprus. It actively supports the Turkish Cypriot arguments that such actions involve exercise of sovereign rights at the international level, which the Turkish Cypriots and Greek Cypriots jointly possess by virtue of their being the equal constituent communities of the 1960 RoC. For the same reason, the Greek Cypriots and Turkish Cypriots are co-owners of the island's natural resources and should *both* be benefiting from the revenues that would come from any development of such resources. From this perspective, any unilateral Greek Cypriot action in this field now— i.e., while the Cyprus problem is still unsolved—amounts to ignoring the legitimate rights and interests of the Turkish Cypriots.

Moreover, Turkey and the Turkish Cypriots maintain that the unilateral Greek Cypriot initiatives in question are inconsistent with the spirit of the UN-sponsored negotiations for a solution of the Cyprus problem. In addition, they say, these initiatives create *faits accomplis* that prejudice the terms of a prospective solution to the disadvantage of the Turkish Cypriot side serving only to complicate matters at the negotiating table; hence they are unacceptable.

Therefore, the Turkish Cypriot position, which Turkey actively supports, essentially is that development of Cyprus offshore hydrocarbons should wait until a political settlement is reached and a bicommunal federal authority (i.e., a joint government of Turkish Cypriots and Greek Cypriots) competent to engage in such initiatives is established. Pending this anticipated outcome of the current UN-sponsored negotiations between them, all unilateral operations relating to offshore hydrocarbons should be suspended. Should the Greek Cypriots disagree with suspension, then the two sides should cooperate to bring all such activities under the authority of a provisional joint (i.e., bicommunal) body which the two sides will specifically establish together for this purpose, and which will also decide about how the two sides will share the revenues. In other words, the Turkish Cypriots are demanding, together with Turkey, acknowledgement of their equal share with the Greek Cypriots in rights concerning maritime jurisdiction and hydrocarbon exploration and development, notwithstanding the lack of a negotiated settlement.[12]

The Turkish Cypriot position, which Turkey actively supports, essentially is that development of Cyprus offshore hydrocarbons should wait until a political settlement is reached and a bicommunal federal authority (i.e., a joint government of Turkish Cypriots and Greek Cypriots) competent to engage in such initiatives is established.

[12] Because of this, in March 2013 Turkey – and the Turkish Cypriots – reacted strongly to the news that, as part of measures to help avert a collapse of the RoC economy in March 2013, the Greek Cypriot government was considering the establishment of an 'Investment Solidarity Fund' that

Irrespective of the Turkish-Turkish Cypriot objections to the contrary, the Greek Cypriot position that, pending a solution of the Cyprus problem, their government represents the RoC and therefore has the right to explore for natural resources in Cyprus' EEZ has strong backing of the international community. The latter includes the EU and the five permanent members of the UN Security Council (except for China, which has a policy of not commenting on other countries' disputes).

On the issue of revenue sharing, however, the position of the international community is a bit unclear though it is generally accepted – including by the Greek Cypriots – that offshore natural resources belong to both communities. For example, in his Cyprus reports to the UN Security Council in June 2012, January 2013 and July 2013, the UN Secretary-General noted: 'It is important to ensure that any new-found wealth, which belongs to all Cypriots, *will benefit both communities*' (emphasis added) (UN, 2012b, 2013a, 2013b). This may be construed as an implicit recognition that there is a problem with the Greek Cypriot approach that there can be no revenue sharing before a settlement. As regards the stance of the EU, as well as of the UK and France, EU members that are also permanent members of the UN Security Council, there have been no official statements questioning this Greek Cypriot position. In fact, France seems to be in agreement as evidenced by the French government's expressed backing of the French firm Total's involvement, with licence from the RoC, in oil and gas exploration offshore Cyprus ("22 numaralı", 2013). The US position, however, appears to be subtly different in the sense that it regularly highlights the point about how hydrocarbons-related developments has made a Cyprus solution more urgent. The US wants 'to see the island's resources shared between the communities' (U.S. Department of State, 2011) and believes that this issue 'underscores even more the need for a comprehensive settlement that would entail sharing of [hydrocarbon] revenues' (U.S. Department of State, 2012a). Russia's position on this matter had appeared generally to favour the Greek Cypriot position[13] until April 2013 when its Foreign Minister Sergei Lavrov stated: 'In respect of Cyprus [hydrocarbons] . . . any prospecting for natural resources must envisage an agreement that each and all Cypriots gain from it' (Ministry of Foreign Affairs of the Russian Federation, 2013).

---

would incorporate future natural gas revenues. A Turkish Ministry of Foreign Affairs statement said that such a move would be 'a dangerous manifestation of the illusion [on the part of Greek Cypriots] of being the sole owner of the Island' and cautioned that it might 'lead to a new crisis in the region'. In the statement it was maintained that: 'The only way to exploit the natural resources of the island before any settlement flows through an agreement in line with the proposals made by the Turkish Cypriot side in 2011 and in 2012 [see section 5.1.4], under the auspices of the UN Secretary-General and thus through getting the clear consent of the Turkish Cypriot side regarding the sharing of these natural resources' (Republic of Turkey, 2013a).

[13] Gazprom Bank – a subsidiary of the Russian national oil and gas company, Gazprom – was among the bidders in the RoC's second offshore licensing round of February-May 2012.

Turkey-TRNC Collaboration for Reciprocal Steps: Exploration by the TRNC

As a result of the Greek Cypriots' determination to carry on with unilateral exploration for hydrocarbons, Turkey started to collaborate with the Turkish Cypriots in restoring the political balance, as they saw it, by taking 'reciprocal steps of equal significance':[14] in September 2011 Turkey and the TRNC signed an agreement demarcating the continental shelf between the island's northern coast and Turkey (see Map 1 in Appendix). At the same time, the TRNC granted to the Turkish national oil company TPAO hydrocarbons exploration licences for sea areas in the north, east and south of Cyprus called zones A, B, D, E, F and G (with F and G in the south partly overlapping RoC exploration blocks 1, 2, 3, 8, 9, 12 and 13 – see Map 2 in Appendix). These and other (see below) 'reciprocal steps' amount to the Turkish Cypriots' claiming what they consider to be their equal share with the Greek Cypriots in rights concerning maritime jurisdiction and hydrocarbon exploration, notwithstanding the lack of a negotiated settlement.

As part of this – essentially politically motivated – policy, in November 2011 the TRNC Ministry of Economy and Energy and TPAO signed a 'Petroleum Services and Production Sharing Contract' in connection with the above-mentioned offshore licences and an additional onshore licence (marked as zone H) for a location near the village of Sınırüstü/Syngrasi in the north of the Famagusta district ("Turkey, north Cyprus", 2011). The contract authorized TPAO to conduct exploratory research for oil and gas, as well as drill and operate wells in the relevant areas. In April 2012 TPAO started to drill onshore apparently for gathering information that would help to draw up an underground map of northern Cyprus ("Turkey's TPAO", 2012). This operation was concluded in September 2012 at a depth of 4,125 m. A TRNC Energy Ministry announcement said that important new data was obtained which suggest the presence of hydrocarbon source rock formation and also reveal information about the hydrocarbon potential of the nearby sea areas ("İkinci izin", 2012). Mentioned in the same place were TPAO's plans to conduct 2-D seismic surveys offshore in Famagusta Bay as well as continuing with exploratory research in another onshore location near Güzelyurt/Morphou in the west of northern Cyprus. More recent reports reveal that TPAO has been conducting onshore seismic research also in the Karpas peninsula (Konuralp, 2013).

In addition to their own exploration activities, the Turkish Cypriots also invited the Greek Cypriots to cooperate over hydrocarbons. Both proposals were rejected by the Greek Cypriots without consideration on the grounds that they are aimed at undermining a sovereign right of a UN and EU member state, namely the Republic of Cyprus, to a bicommunal issue.

As regards offshore operation in the TRNC exploration areas licensed to TPAO, 2-D seismic surveys were carried out in zone G which is in the island's south and partly overlaps with RoC exploration blocks 8, 9, 12 and 13. This happened in September-November 2011 as a response to the launch of the first drilling

[14] For a more detailed account of these steps, see chapter 5 in Gürel et al. (2013).

operation by Noble Energy in Block 12 despite Turkish-Turkish Cypriot objections. According to Turkish Energy Minister Taner Yıldız, TPAO plans to start in September 2013 further 2-D seismic research in offshore areas south of Cyprus using its newly acquired research vessel, Barbaros Hayrettin Paşa ("Yıldız'dan Kıbrıs", 2013).

Turkish Cypriot Proposals for Cooperation over Offshore Hydrocarbons

In addition to their own exploration activities, the Turkish Cypriots also invited the Greek Cypriots to cooperate over hydrocarbons. They did this through the UN Secretary-General to whom they submitted two proposals in September 2011 and September 2012, respectively. Turkey, of course, endorsed them. Both proposals were rejected by the Greek Cypriots without consideration on the grounds that they are aimed at undermining a sovereign right of a UN and EU member state, namely the Republic of Cyprus, to a bicommunal issue ("Spokesman – Turkish", 2011). The latter proposal, called the 'plan regarding the activities related to hydrocarbon resources off the coastlines of the island of Cyprus (both North and South)', was to be agreed by both sides 'without prejudice to their legal and political positions on the Cyprus problem'. According to this plan:

(i) The UN Secretary-General would appoint 'a facilitator' to chair a new bicommunal 'technical committee' with members appointed by the two sides.

(ii) The technical committee would be mandated (a) to obtain 'the written mutual consent of the two sides on the international treaties concluded and the licenses issued unilaterally by either side'; and (b) to determine 'the shares of the two sides related to hydrocarbon resources off the coast of the island of Cyprus'.

(iii) The technical committee would govern the account where the total revenue of hydrocarbon resources would be kept. The revenue would be used 'primarily for financing the implementation of the provisions of the comprehensive settlement' and also for different – non-military – purposes about which the two sides would 'decide conjointly through the technical committee'.

The plan also contains a suggestion that the hydrocarbon resources, extracted by both sides, be 'transported through a pipeline via Turkey'.

Clash of Maritime Claims by Turkey and the RoC

Apart from its stance about Turkish Cypriots' right in Cyprus' maritime areas, Turkey itself has another reason for opposing the Greek Cypriot pursuit for hydrocarbons: this, as mentioned earlier, is connected with its continental shelf claims in the Eastern Mediterranean which clash with the EEZ proclaimed by the

Greek Cypriots. Turkey disputes the RoC-Egypt EEZ boundary agreement, insisting that this agreement ignores Turkey's continental shelf rights in the area to the west of longitude 32° 12' 18". The continental shelf that Turkey claims in this area covers almost all of the EEZ which the RoC claims in the west and partially overlaps Blocks 1, 4, 5, 6 and 7 in the RoC exploration area (see Map 3 in Appendix).

As distinct from the licences given to it by the TRNC, TPAO appears to hold licences from the Turkish government to explore in an area off the southern coast of Turkey which includes the above-mentioned area claimed by the RoC (see Map 4 in Appendix). According to the RoC's objection registered with the UN on 15 June 2012, four of these licences (as published in the Turkish Official Gazette of 27 April 2012) are for areas 'which fall either partly or wholly within the exclusive economic zone (EEZ) and continental shelf of the Republic of Cyprus' (UN, 2012a).

The RoC maintains that one of the licences, which is for an area in the south of Adana outside the Turkish territorial sea and touching the TRNC-Turkey continental shelf border (block 5011), 'lies (more than 40 per cent) within the EEZ and continental shelf' of the RoC; the second one, which is for a block in the south east of the latter block (block 5029), 'lies (more than 60 per cent) within the EEZ and continental shelf' of the RoC; the third one, which is for a block in the west of Cyprus south of Antalya (block 5027), 'lies in its entirety (100 per cent) within the EEZ and Continental shelf' of the RoC; and the fourth, which is for a block in the south-west of Cyprus (block 5028) 'lies (more than 90 per cent) within the EEZ and continental shelf' of the RoC. In the RoC government's view, Turkey's granting of these licences 'is the concrete expression of unreasonable claims by Turkey with respect to its maritime borders with the Republic of Cyprus'.

Turkey's view is that this is a maritime delimitation dispute (involving Turkey, Egypt and Cyprus) and it will be resolved through negotiations once a comprehensive settlement of the Cyprus question is achieved (UN, 2012c).

Turkish Warnings Regarding RoC Exploration Activities and Their Security Implications

As explained above, Turkey objects to RoC exploration activities in the offshore areas south of Cyprus on two separate grounds: (a) the sovereign right to exploration for natural resources in the island's maritime areas is jointly possessed by the Turkish Cypriots and Greek Cypriots who are also the co-owners of the island's offshore natural resources and therefore such natural resources can only be legitimately explored with the participation of both Cypriot sides; and (b) parts of Blocks 1, 4, 5, 6 and 7 in the exploration area claimed by the Greek Cypriots overlap with Turkey's continental shelf which means they are disputed areas and therefore no exploration can be conducted in those areas until after the resolution of the dispute.

Since September 2011, the Turkish policy regarding (a) has been to support and collaborate with the Turkish Cypriots in their 'reciprocal' exploration activities in the maritime areas of Cyprus. In various official statements Turkey emphasized

this policy and warned that it would 'give every support to the TRNC to prevent possible violations of Turkish Cypriot concession blocks and thus to protect their rights and interests in maritime areas' (Republic of Turkey, 2012a). In May 2012, a Turkish Ministry of Affairs (MFA) statement asserted that (Republic of Turkey, 2012b):

> Any activity of international oil companies [in the Turkish Cypriot concession blocks] in future would bring them into confrontation with [the] TRNC and TPAO and cause undesired tension. Turkey, as was already declared before, acting upon its responsibilities as a motherland and a guarantor power, will give every support to [the] TRNC.

In the same place, Turkey advised the companies bidding in the RoC's second international tender for exploration licences and the countries related to these companies to 'refrain from any activity in these areas which are disputed especially due to the Cyprus issue, and withdraw from the said tender' and warned that 'those companies cooperating with GCA[15] will in no way be allowed to take part in Turkey's future energy projects'. In November 2012 the Turkish Minister of Energy, Taner Yıldız, warned the Italian oil and gas company ENI which, together with the South Korean company KOGAS, received exploration licences for RoC Blocks 2, 3 and 9, that Turkey would reconsider ENI's investments in Turkey if the company cooperated with the Greek Cypriots ("Turkey may", 2012). Later, Turkey announced that it suspended ENI's involvement in planned projects and investments in the country on the grounds that the company had signed agreements with the Greek Cypriots for exploration in Blocks 2, 3, and 9 (Hava, 2013a).

Upon the commencement of Noble Energy's appraisal drilling in the Aphrodite field of the RoC's Block 12 in June 2013, Turkey reacted again by issuing a press release which said that Turkey would continue supporting the Turkish Cypriots in their activities 'to protect their equal and inherent rights over the natural resources around the Island' by assisting them in oil and gas exploration 'within the license areas granted to the Turkish Petroleum Corporation (TPAO) by the TRNC in the south of the Island' (Blocks F and G in Map 2) (Republic of Turkey, 2013b).

Reciprocal actions of the kind described above are meant to be 'action-oriented' and do not involve threat of use of force except for self-defence, i.e., if it becomes necessary to defend TPAO research ships and installations operating in the area against any military intervention by the Greek Cypriot side. Thus, military confrontation remains a possibility though the risk is not immediate.

Turkey's policy regarding (b) entails *prevention* of any exploration attempt in areas which lie in its claimed continental shelf. The position here is more categorical than that in (a) as evidenced by the following warning from the Turkish MFA (Republic of Turkey, 2012a):

[15] GCA is the acronym for 'Greek Cypriot Administration'.

> Turkey, as it was [the case] before,[16] will not allow *under any circumstances* foreign oil companies to conduct unauthorized oil/natural gas exploration and exploitation activities in these overlapping areas and will take *all necessary measures* to protect its rights and interests in the maritime areas falling within its continental shelf. [Emphasis added]

The same categorical language was present in another Turkish MFA statement which addressed the same issue (Republic of Turkey, 2012b):

> Certain parts of the maritime areas in the west of the Island included in the [the second RoC tender for exploration licences] overlap with Turkey's continental shelf in the Mediterranean Sea. Turkey [. . .] *will not allow any activity* over these areas. [Emphasis added]

The severe tone of the last two quotes – especially the reference to taking 'all necessary measures' and the reminder about the incident of November 2008 – has generally been taken as an indication that Turkey would respond more aggressively (perhaps not excluding military action) to any exploration in Blocks 1, 4, 5, 6, and 7 than it would to exploration in the areas that overlap the TPAO concessions. It is indeed worth noting that none of these blocks has been licensed so far.[17]

TURKEY AND ISRAEL

Political Relations

Turkish-Israeli relations go back to 1949 when Turkey recognized Israel, the first Muslim majority-state to do so. The two countries' relations have been through periods of ups and downs over the years in parallel with the trajectory of events in the Middle East (Huber & Tocci, 2013). The 1990s saw the development of a strategic partnership between them, which remained more or less on track until 2009. This partnership involved cooperation in trade, investment, tourism, education, environmental matters, etc. but military-strategic relations were its principal component. The two countries' economic and military cooperation continued after the AKP's coming to power in Turkey in 2002, despite the increasing intensity of the Turkish Prime Minister Recep Tayyip Erdoğan's criticisms of Israel's actions in Gaza. Indeed it was in 2006 that the Israeli and Turkish governments agreed on the – later discontinued -- Med Stream pipeline project (see above).

---

[16] This is likely to be a reference to the incident that occurred on 13 November 2008 as two foreign-flagged exploratory ships were conducting surveys offshore Cyprus on behalf of the RoC's government. According to the Greek Cypriots, the vessels were intercepted by a Turkish warship when they were operating in the RoC's EEZ, and they 'were forced, by the Turkish warship, to cease their operations and withdraw within the territorial waters of the Republic of Cyprus'. A Turkish MFA official statement, referring to the incident, explained that 'We have taken necessary diplomatic action after finding out that the oil exploration ship was operating within Turkey's continental shelf' ("Turkish Foreign Ministry", 2008).

[17] See chapter 5 in Gürel et al. (2013).

In January 2009, however, the relations were seriously strained when, sitting together at a panel with the Israeli President Shimon Peres at the World Economic Forum in Davos, Erdoğan accused Israel of crimes against humanity referring to its December 2008-January 2009 military operation in Gaza. The growing tension in the relations following the Davos crisis escalated into a crisis with the Gaza Freedom Flotilla incident of 31 May 2010.[18] The incident caused a deep drift between the two countries which brought about a structural decline in their relations. Diplomatic relations were downgraded to the level of second secretary[19] and military cooperation was suspended. Turkey made reconciliation with Israel conditional on the latter's apology to Turkey, compensation of the victims' families and lifting of the Gaza blockade. Remarkably enough, however, this effective freezing of political relations did not hamper Turkish-Israeli commercial ties. Indeed the volume of bilateral trade continued to grow with the trade and investment treaties signed in the 1990s remaining in force (Cagaptay & Evans, 2012).

Turkey made reconciliation with Israel conditional on the latter's apology to Turkey, compensation of the victims' families and lifting of the Gaza blockade. Remarkably enough, however, this effective freezing of political relations did not hamper Turkish-Israeli commercial ties.

Israeli Prime Minister Netanyahu's apology to Turkish Prime Minister Erdoğan on 22 March 2013[20] ended the diplomatic deadlock between the two countries which have since embarked on a process of normalisation of relations. At present, bilateral talks are underway to settle the compensations issue and Ankara is awaiting moves from Tel Aviv towards the lifting of its Gaza blockade.

Several months after the apology, the much anticipated restoration of diplomatic relations between Turkey and Israel has yet to happen. It has been reported that

[18] Gaza Freedom Flotilla, which consisted of six ships, was aimed at delivering aid to Gaza, thus breaking an Israeli and Egyptian blockade on the territory. The flotilla was intercepted in international waters by the Israeli Defence Force (IDF) commandos. When the commandos boarded the leading ship, the Turkish-owned Mavi Marmara, clashes broke out and the commandos opened fire killing nine activists, eight of whom were Turkish and one Turkish-American.

[19] Immediately after the Flotilla incident, Turkey recalled its ambassador from Tel Aviv. In September 2011 the report of an international investigation into the incident (the UN Palmer report) was revealed. The report found that the Israeli Defence Forces' use of force was 'excessive and unreasonable' but at the same questioned 'the conduct, true nature and objectives of the flotilla organizers, particularly IHH' (IHH is the Turkish nongovernmental Humanitarian Relief Foundation). It also considered Israel as being entitled to blockade Gaza. Following the report, Turkey expelled the Israeli ambassador.

[20] Netanyahu's apology and its acceptance by Erdoğan was part of a deal brokered by the US President Barack Obama. According to a statement issued from the Israeli prime minister's office, the prime minister 'made it clear that the tragic results regarding the Mavi Marmara were unintentional, and that Israel expresses regret over injuries and loss of life. In light of the Israeli investigation into the incident, which pointed out several operational errors, Netanyahu apologised to the Turkish people for any errors that could have led to loss of life and agreed to complete the agreement on compensation.' The statement also said: 'The two men agreed to restore normalisation between Israel and Turkey, including the dispatch of ambassadors and the cancellation of legal steps against IDF soldiers' (Sherwood & MacAskill, 2013).

after two rounds of talks (in April and May), although they have settled most of the details of the agreement (including the exchange of ambassadors that would follow the agreement), the two sides are at an impasse over the issue of level of compensation (Ravid, 2013). The Turkish side has informally denied suggestions of deadlock in the talks ("Turkey denies", 2013). Nevertheless, since late May the reconciliation process has appeared to be dragging on inconclusively. It has been suggested that the process is further complicated by statements from Turkish officials – including the prime minister – about a 'Jewish lobby' link behind the recent Gezi Park protests directed against the AKP government as well as the coup against President Mohammed Morsi in Egypt.[21] More recently, though, Turkish media reported that since the last meeting in May, Turkey and Israel had been employing 'telephone diplomacy' to carry on bargaining over the amount of compensation (Bozkurt, 2013).

Turkey's Stance Regarding Israel's Cooperation with the RoC

Israel's discovery of two major gas fields (Tamar in January 2009 and Leviathan in October 2010) in its EEZ in close proximity to Cypriot waters occurred at the time when Turkish-Israeli relations were deteriorating (see above). This was also when the RoC was preparing for exploration in its Block 12 –which is adjacent to Israeli waters. These factors triggered a rapprochement between Israel and the RoC, the first outcome of which was their signing in December 2010 of an EEZ delimitation agreement. Turkey was quick to register its objection in an official press release, stressing, however, that it did not have any claim over 'the maritime areas subject to the said EEZ delimitation agreement' but rather that it approached the matter in the context of the Cyprus problem. In Turkey's view, rights and jurisdiction over the maritime areas of Cyprus belong to Turkish Cypriots as well as Greek Cypriots; the Greek Cypriots do not represent the Turkish Cypriots; and therefore they cannot act on behalf Cyprus as a whole. As a result the agreement signed between Israel and the Greek Cypriots 'null and void for Turkey' (Republic of Turkey, 2010).

As the gap between Turkey and Israel widened, Israel's relations with the Republic of Cyprus' Greek Cypriot government continued to develop, with matters of energy cooperation being central to talks between them.

As the gap between Turkey and Israel widened, Israel's relations with the RoC's Greek Cypriot government continued to develop, with matters of energy cooperation being central to talks between them. After the EEZ delimitation agreement of 2010, a series of high-level visits occurred between the two counties including: President Demetris Christofias' to Israel in March 2011; President Shimon Peres' to Cyprus in November 2011 (during which energy cooperation issues were taken up and bilateral agreements signed on communications, research and development and archaeology) (Cashman, 2011); Prime Minister

[21] Some even claim that Israel has suspended the talks because of what were seen as anti-Semitic remarks by the Turkish prime minister and some of his governmental and AKP colleagues. See, for example, Yetkin (2013) and Gürsel (2013).

Benjamin Netanyahu's to Cyprus in February 2012 (during which a search and rescue agreement was signed opening the way to the use of Cypriot waters and airspace by Israel's navy and air force) (Barkat & Omer, 2012); and President Nicos Anastasiades' in May 2013 (during which the two sides focused on cooperation in energy matters and reaffirmed their joint commitment to develop and exploit cross-border natural gas and oil reserves) ("New era", 2013).

Turkey's opposition to RoC's offshore exploration and exploitation activities based on its position on the Cyprus problem have been explained in detail above. Given this, deals and prospects of further cooperation in this field between Israel and the RoC are politically irksome, to say the least, for Turkey because they serve to assist the Greek Cypriots unilateral claim to sovereign rights in Cyprus' waters ignoring the Turkish Cypriots' share in those rights. Turkey has another – geopolitical and commercial – reason to be weary of potential Israel-RoC cooperation on a proposed plan excluding Turkey. This concerns a project involving Israel, Cyprus and Greece to export gas from the Levant Basin to Europe via a subsea pipeline connecting Israel's Tamar, Leviathan and Cyprus Block 12 to Cyprus, then to Crete and from there to Greece (Barkat, 2012a; Geropoulos, 2012). An RoC official speaking during a conference in Crete on energy security and supply in the EU remarked that this idea represented an alternative for Europe's energy supply, tilting existing balances in the region ("Deputy Minister", 2012). 'If we can provide an alternative to [sources from the Caspian planned to go to the EU via Turkey] which will have the advantage to provide more energy security,' said the official, 'then we are changing the game.' (Geropoulos, 2012) Incidentally, two relevant projects (dubbed East Med and Trans Med pipelines) proposed by the RoC were evaluated by the Working Group of the Directorate General for the EU Commission with the aim of choosing the projects that are 'crucial' for the overall energy security in Europe. They received approval 'to proceed towards final selection' subject to the proviso that they were merged ("European Union", 2013). It is obvious that this prospect is not likely to be viewed positively by Turkey. A new 'Eastern Mediterranean Corridor', in addition to the planned Southern Corridor (now TANAP through Turkey plus TAP), could be seen as diminishing Turkey's aspired strategic role as an energy hub for Europe.

Israel is effectively a stakeholder already in the Republic of Cyprus' emerging gas industry. Two Israeli oil and gas companies, namely Delek Drilling and Avner Oil and Gas Exploration together have a working interest of 30% in Republic of Cyprus' Block 12.

Israel is effectively a stakeholder already in the RoC's emerging gas industry. Two Israeli oil and gas companies, namely Delek Drilling and Avner Oil and Gas Exploration together have a working interest of 30% in RoC's Block 12. Moreover, together with Noble Energy (who hold the remaining working interest in Block 12), they signed an MoU with the RoC government on the construction of an LNG plant in Cyprus. Yet Delek Group (of which Delek Drilling and Avner Oil are subsidiaries) seems to be also interested in gas exports from the Israeli Leviathan field to Turkey via a pipeline (see section 5.2.3) – an initiative that may possibly

face complications due to Turkey's May 2012 decision to exclude companies involved in RoC's hydrocarbons industry from energy projects in Turkey.

Prospects for Israeli-Turkish Energy Cooperation and Implications for Cyprus

With the onset of the Turkish-Israeli reconciliation process, assuming it remains on track, it has become geopolitically feasible once again to talk about the construction of a pipeline between Turkey and Israel (recall the Med Stream pipeline project of the late 2000s mentioned earlier in this paper). This time the pipeline would carry Israeli gas to Turkey for use in its large domestic market and/or transit to European markets via the planned Southern Corridor route, which is to transport Caspian (and possibly Iraqi) gas through Turkey.[22]

The possibility of such cooperation between Turkey and Israel had been under discussion for some months before the recent moves towards normalisation of relations (Mitnick, 2013). Indeed, speaking at the Atlantic Council's Energy and Economic Summit in Istanbul in November 2012, Turkish foreign ministry's Director General for Multilateral Economic Affairs, Ambassador Mithat Rende, stated, for the first time, that a pipeline from Israel to Turkey was 'the best way to export Israeli gas, both in terms of economics and in terms of energy' (Barkat, 2012b). An Israeli response to this signal came a couple of months later from Israel's Ministry of Energy and Water director general Shaul Tzemach, who reportedly suggested 'that Turkey could be an anchor customer for Israeli gas, and that there is room to consider including foreign powers and multinationals in a project to export Israeli gas to Turkey' (Barkat, 2013a). Tzemach further said:

> There are quite a few geopolitical barriers, but if we know how to create the right conditions, it is possible. Gas should be used as a stabilizing factor which leads to cooperation between countries and includes multinationals and international parties with an interest in regional stability.

However, prior to the Mavi Marmara apology, realization of such a project had been considered, especially by the Turkish side, to be unrealizable for political reasons as long as the two countries' diplomatic relations remained frozen. In February 2013 Israel had reportedly made an official offer to Turkey to lay a pipeline between the two countries but had no response from the Turkish side (Solomon, 2013).

Financial Times reported in March 2013 that 'Noble Energy and Delek Energy, the main investors in Israel's large offshore natural gas fields, have in recent weeks [i.e., before the Israeli apology to Turkey] sounded out possible customers in energy-hungry Turkey but until now the countries' rift appeared to preclude progress' (Dombey & Reed, 2013). According to another press report, long before the breakthrough in the Turkish-Israeli relations, the Zorlu Group, one of the biggest private corporations in Turkey which is currently building four power

[22] Turkey's primary gas consumption in 2011 was 41.2 million tonnes of oil equivalent (toe) or 46 bcm, and the EU's 400 million toe or 444 bcm for the EU (Eurogas, 2012).

plants in Israel, had been lobbying the Israeli government and the Leviathan gas field investors to accept gas exports to Turkey. It was said that the Zorlu Group was planning to build an undersea pipeline from Israel's offshore gas fields to Turkey's south coast ("Turkey's Zorlu Group", 2013).

Since the apology, officials from both countries have spoken favourably regarding a possible Turkish-Israeli gas pipeline. Only a couple of days after the apology, a Turkish press report included the following evaluation of the issue by Turkish officials (Erdil, 2013):

> Israeli gas is the most important discovery in the last 10 years. It is very important that this gas reaches the market. Of course, the best market is Turkey. The Turkish private sector and international investors involved there can come together and undertake this project. Now US Noble energy and Israeli Delek are investing in these fields. There are many Turkish companies including Zorlu, Genel Energy, Turcas, Çalık, and Egegaz which seek to export Israeli gas to Turkey. There is serious competition between these companies.

According to a Turkish official quoted in the *Financial Times* article cited above (Dombey & Reed, 2013), with reconciliation the idea of a possible Israeli-Turkish gas pipeline became 'much more viable'. 'The obstacle was not the private sector', the official was reported to have said, 'but the relations between the governments . . . I don't think Turkey will come out against this now . . . We want to be an energy hub.' However, in Turkey's Energy Minister Taner Yıldız's view, discussion of energy deals would be possible only after the restoration of ties between the two countries is finalized. He is reported to have said: 'The improvement of political relations may well result in new projects, including energy projects with Israel. But first the apology proceedings have to be completed.'("Feasibility' needed ", 2013) In general, Ankara seems to have adopted a cautious line here with the intention of avoiding any interpretation of a link between the apology and gas cooperation prospects (Erkuş, 2013b).

Turkish President Abdullah Gül was reported to have said that Turkey would welcome a new cooperation model that envisages the transfer of resources from the Mediterranean to world markets via Turkey, adding that 'it will benefit all parties to agree on a joint deal on the transportation of gas reserves off the island of Cyprus'

Yet, signals continue to come from Turkey that promote, as part of the country's desire to become an energy hub, the more general idea that 'Turkey is the *safest*, *most feasible* and *profitable* gateway for Eastern Mediterranean natural gas to markets' (Rende, 2013). What is particularly relevant here, of course, is the proven or potential gas in the fields offshore Israel and Cyprus. Turkish President Abdullah Gül was reported to have said that Turkey would welcome a new cooperation model that envisages the transfer of resources from the Mediterranean to world markets via Turkey, adding that 'it will benefit all parties to agree on a joint deal on the transportation of gas reserves off the island of Cyprus' (Hava, 2013b). There were even accounts that Turkish Energy Minister Taner Yıldız hinted that work was underway behind closed doors in

Ankara for developing the possible 'cooperation model' referred to by President Gül, which, it was implied, should envisage a sharing of Cyprus' energy resources between the two Cypriot sides (Hava, 2013b).

On the Israeli side, the foreign ministry's energy envoy Ambassador Michael Lotem spoke in April 2013 at a conference in Ankara, where, in the context of Israeli gas, he pointed to a mix of export routes to neighbours through LNG, and a possible eventual pipeline to Turkey (Lotem, 2013). According to Lotem, a pipeline to Turkey 'looks like a profitable option, but there are other options too'. With regard to concerns of some in Israel about risks of subjecting the country to 'pipeline politics', he remarked that Turkey has a proven record of not connecting energy with politics', a reference to the latter's successful handling of the Baku-Tbilisi-Ceyhan crude oil pipeline ("Israel eyes", 2013).

A relevant development indicating that a pipeline to Turkey is among the options considered is the permission given by the Israeli Antitrust Authority to the partner companies in the Leviathan field 'to jointly hold [preliminary] talks for the export of natural gas to Turkey, Jordan, and the Palestinian Authority, because of their strategic importance to Israel' (Barkat, 2013b).

Here it is useful briefly to look at the still unresolved debate in Israel over how Israel should export its gas. On the assumption that the amount of gas allowed to be exported will be adequate for one large export project only, the question seems to have boiled down to whether to send the gas via an undersea pipeline to Turkey or as LNG to markets in East Asia (Barkat, 2013c). Of the partners in the Leviathan field, Noble Energy seems to be a firm supporter of the LNG option while the Israeli firms (Delek Group and Ratio Oil Exploration) are vacillating between the LNG idea and the Turkish pipeline (Barkat, 2013c).[23] The LNG's attraction is that it would bring more revenue given the high prices in the eastern markets but given the high construction of an LNG plant ($10-15 billion), as much gas as possible would need to be fed into it to justify the cost of the project. A major challenge to the LNG project, however, is that it would be very difficult to find a suitable coastal location for it in Israel. The pipeline to Turkey is a relatively simpler and cheaper project which could be built within a couple of years. An issue here is that under the current political circumstances the pipeline cannot traverse the EEZs of Lebanon and Syria and would therefore need to go through the EEZ of the RoC. Although, in principle, states are allowed to lay pipelines on the EEZ of coastal states according to the UN Convention of the Law of the Sea (UNCLOS), for

The pipeline to Turkey is a relatively simpler and cheaper project which could be built within a couple of years.

[23] Later *Globes* cited Australian media reports that 'Leviathan's partners have changed their export plans for Leviathan from building a liquefied natural gas (LNG) plant to building a pipeline to neighboring countries, apparently Turkey' (Barkat, 2013d).
According to a later statement from the Delek Group, the partners in Leviathan (and Tamar) led by Noble Energy were already in advanced talks with companies in Turkey, Jordan, Egypt and the Palestinian Authority about buying Israeli gas and building pipelines (Scheer, 2013).

reasons of political expedience, Israel and Turkey would probably seek to come to an understanding with the RoC on this matter.[24]

From the geopolitical perspective, the pipeline to Turkey is viewed as potentially yielding more benefits for Israel. In Israeli diplomatic circles, the pipeline to Turkey is regarded as 'a diplomatic instrument that could have a dramatic effect on our standing in the region', whereas the LNG installation is viewed as having 'no geopolitical utility' (Barkat, 2013c). What is presumably meant here is the strategic significance Israel would acquire by building a pipeline to Turkey where it could join the web of transit pipelines serving markets in Europe.

The possibility of a gas pipeline from Israel to Turkey obviously raises a number of questions about the prospects for RoC gas exports. The RoC and Israel have been developing their ties since 2011 with the mutually expressed intention of extensive energy cooperation. The RoC has been hoping that Israel will eventually decide to become a partner in the planned LNG facility on Cyprus including by sending gas from its offshore fields, especially Leviathan, to be processed and exported from there. Such plans may well be undermined if relations between Turkey and Israel are restored and they decide to construct a pipeline between the two countries.

In this connection, it is interesting to note that in his various interviews with the Turkish media, Turkish Energy Minister Taner Yıldız has been declaring that the best commercial solution for the Eastern Mediterranean region would be for *both* Israel and Cyprus to export their gas by a pipeline passing through Turkey. What would make this feasible, in the Minister's view, are (a) full restoration of diplomatic ties with Israel; and (b) Greek Cypriots' acceptance of sharing of gas revenues – before a Cyprus settlement – with Turkish Cypriots who are co-owners of Cyprus's offshore hydrocarbons.[25] The Greek Cypriot position on sharing of gas revenues with Turkish Cypriots has been discussed earlier in this paper. Based on that it is clear that the latter condition on the Minister's mind is not likely to be fulfilled in the absence of a settlement to the Cyprus problem; unless strong international actors who are interested in such regional energy cooperation, e.g., the US (Barkat, 2013c) – and perhaps even the EU – decide to exercise diplomacy

The RoC has been hoping that Israel will eventually decide to become a partner in the planned LNG facility on Cyprus including by sending gas from its offshore fields, especially Leviathan, to be processed and exported from there. Such plans may well be undermined if relations between Turkey and Israel are restored and they decide to construct a pipeline between the two countries.

[24] Pursuant to Articles 58 and 79 of the UN Convention of the Law of the Sea (UNCLOS), all states are entitled to lay pipelines in the EEZ and continental shelf of a coastal state. As stipulated by subparagraph 79(2): 'Subject to its right to take reasonable measures for the exploration of the continental shelf, the exploitation of its natural resources and the prevention, reduction and control of pollution from pipelines, the coastal State may not impede the laying or maintenance of such . . . pipelines.' Subparagraph 79(3) regulates this right of other states by stipulating that: 'The delineation of the course for the laying of such pipelines on the continental shelf is subject to the consent of the coastal State.' These rules pertaining to continental shelf apply also in the case of EEZs.

[25] See, for example, Hava (2013), Yetkin (2013a; 2013b).

to broker a deal on revenue-sharing between Turkey, the Turkish Cypriots and Greek Cypriots.

CONCLUSIONS: HYDROCARBONS AS A CATALYST FOR RECONCILIATION

Common sense suggests that the promise of substantial revenues from hydrocarbon resources would provide a powerful catalyst for cooperation and reconciliation in the Eastern Mediterranean. Notwithstanding the intensely complex geopolitical situation in the region, a number of governments, international organizations, and NGOs [26] are urging all parties to utilize hydrocarbons as an enabler for cooperation. During a visit to Cyprus in September 2012, British Foreign Secretary William Hague declared that the discovery of natural gas should be an incentive to help unite Cyprus (Orphanides, 2012).

Similarly, US Assistant Secretary of State for European and Eurasian Affairs Philip Gordon described Cyprus gas as a 'pool of potential resources that could facilitate a settlement' and went on to add that 'if you really want to have a positive vision for the future you can picture these resources being developed and even exported through a pipeline to Turkey' (U.S. Department of State, 2012b). Following the commencement of normalization of relations between Turkey and Israel, Turkish government officials began to make statements emphasizing the need to use hydrocarbons as a means to promote regional cooperation. Addressing an energy conference in May 2013 held in Istanbul, Turkish President Abdullah Gül said: 'I believe any projects regarding energy resources in the Eastern Mediterranean should involve all the countries in the region, including Egypt, Lebanon, Israel, all parts of the island of Cyprus and Turkey . . . to resolve political problems.' (Demirezen, 2013)

Indeed, an instructive example for the region is the new energy relationship between Turkey and Greece – which is acting as a catalyst for improved ties between the two countries.

Israel for its part also views hydrocarbons as a possible catalyst for cooperation in the region. In a speech delivered at the 12th Turkish International Oil & Gas Conference (TUROGE) in April 2013, Ambassador Michael Lotem, special envoy for energy of the Israeli Foreign Ministry, raised the question: 'Can we use energy; can we use gas, beyond the commercial value of it, in the service of politics, in the service of diplomacy? I say that we should . . . and if we are talking about [it], especially for Turkey, for Europe,' the Israeli ambassador said, citing the Baku-Tbilisi-Ceyhan oil pipeline, which he described as 'a valued example of how an energy project can initiate geopolitics.' (Erkuş, 2013a)

[26] In the absence of an overall Cyprus settlement, the International Crisis Group proposed a series of confidence-building measures focused on revenue sharing and revenue management (International Crisis Group, 2012).

Turkey and Greece in New Energy Corridor

Indeed, an instructive example for the region is the new energy relationship between Turkey and Greece – which is acting as a catalyst for improved ties between the two countries. Although neither Turkey nor Greece is a gas producer state, by virtue of geography, the two Aegean neighbours constitute key transit countries in the planned Southern Corridor to Europe for Caspian gas. The Trans-Adriatic Pipeline (TAP), recently selected for transportation of gas from Azerbaijan's Shah Deniz field, is planned to run from the Turkish-Greek border, across northern Greece, continue into southern Albania, cross the Adriatic seabed and then onward to southern Italy. The Turkish segment, known as the Trans-Anatolia Pipeline (TANAP), will run from the Georgian–Turkish border to the Turkish border with Greece (Socor, 2013).

Both countries are due to benefit from transit fees, investment, and new job creation. During a recent press conference with his Greek counterpart, Evangelos Venizelos, Turkish Foreign Minister Davutoğlu described the gas pipeline as a new corridor for Turkish-Greek relations. 'This zone will further strengthen our bilateral ties [with Greece]', he noted, while Venizelos said the new pipeline would represent a project of 'friendship' between the two countries ("Energy project", 2013).

Transformative Capacity of Hydrocarbons

Needless to say, the natural resource industry is unique in its capacity to fundamentally transform societies through development of new infrastructure, provision of employment and technical skills training, and by generation of revenues – giving government the means to invest in improved healthcare, education, etc. In short, natural resource development has the potential to bring about economic development and raise living standards in tangible ways relatively quickly. There is a strong economic rationale for a collaborative approach – including the two Cypriot communities, Turkey and Israel – to development of Cyprus' hydrocarbon resources as it would enable economies of scale to be achieved and quicker monetization of gas reserves. The two communities in Cyprus together constitute a small population, thus if managed properly the benefits could potentially significantly affect the economy of the island in a relatively short time period.

Transporting Cyprus gas by pipeline to Turkey – the largest and closest gas market in the region – would not only be significantly more profitable and enable quicker monetization, but also help to ease tensions between the Greek Cypriots and Turkey, creating a more conducive environment for peace talks.

Transporting Cyprus gas by pipeline to Turkey – the largest and closest gas market in the region – would not only be significantly more profitable and enable quicker

monetization,[27] but also help to ease tensions between the Greek Cypriots and Turkey, creating a more conducive environment for peace talks. Turkey, which is largely dependent on energy imports, is eager to diversify sources of gas supply. Both communities' economies are in a desperate state: to avoid financial collapse the RoC signed onto a €10 billion bailout deal from international lenders in March 2013, while the Turkish Cypriot community is dependent on financial aid from Turkey.

Joint management and development of gas resources could also help build trust through significant practical cooperation between the two communities and thus an improved environment for negotiations for an overall Cyprus settlement. Revenues could be used to help fund a solution. Israel could also export some of its gas through a pipeline to Turkey, enabling it to quickly monetize its resources and helping to ease tensions between the two countries. Gas exports from the Eastern Mediterranean region can be also be supplied to Europe via Turkey, assisting Europe in meeting its aim to diversify sources of supply.

As noted above, private companies in Turkey and Israel are actively promoting an Israeli-Turkish pipeline to export gas from the Leviathan field. In the event that political relations between Turkey and Israel improve, an Israeli-Turkish pipeline may become likely. In this scenario, Noble and its Israeli partners are likely to seek to build a combined pipeline export system encompassing *both* Israeli and Cyprus gas fields to achieve economies of scale. Accordingly, Cyprus – which is hoping to include Israeli and possibly eventually Lebanese gas in its LNG terminal – may lack sufficient quantities of gas to make such a project viable and exporting its gas via an Israeli-Turkish pipeline may become the only option available. A gas pipeline between Turkey and Israel would go a long way to cement economic, strategic and political ties between the two countries, but once again a historic opportunity to bring about peace in Cyprus may have been lost.

Likelihood of Cooperation in the Eastern Mediterranean Region

The current positions of Turkey and the parties in Cyprus (as outlined above), as well as recent developments, however, do not bode well for the future. Following the banking crisis of March 2013, the Greek Cypriots have been even more adamant about developing the potential hydrocarbon reserves in Cyprus' southern seas without the participation of the Turkish Cypriot community. In an interview with Al Jazeera in April 2013, RoC Foreign Minister Ioannis Kasoulides said offshore hydrocarbon resources belong to all inhabitants of Cyprus, but stressed that future gas revenues will be shared with the north only after a reunification agreement is reached ("Ioannis Kasoulides", 2013).

[27] The net revenue that can be generated by gas from Block 12 off-shore Cyprus (Aphrodite discovery) sold via pipeline to Turkey is $69 billion, compared with $55 billion for a pipeline to Greece and $50 billion for an LNG plant. Thus, the difference between LNG and a pipeline to Turkey is approximately $19 billion (or €15.7 billion). See Gürel et al. (2013), p. 85.

The Greek Cypriot side has continued to refuse to give its consent for the hydrocarbon issue to be included in the UN-sponsored inter-communal talks, which are expected to restart sometime in November 2013. Moreover, RoC Defence Minister Fotis Fotiu recently announced that Cyprus will acquire two naval vessels for the purpose of enforcing the Republic's sovereign rights in its EEZ ("İki adet", 2013). Fotiu also confirmed that recent defence talks with Moscow had centred on a request by Russia for the use of sea and air facilities on the island (Morley, 2013) – moves which are likely to further ratchet up tension with Turkey.

For their part, the Turkish Cypriot community is continuing to protest against what they view as the illegal exploration activities of the RoC and a deliberate attempt to exclude them from benefitting from hydrocarbon development ("Haksız ve taraflı", 2013, p.12). Turkey further stepped up pressure on the RoC following the March banking crisis. Turkish Foreign Minister Ahmet Davutoğlu stated that Turkey was ready to negotiate a two-state solution if reunification talks fail and no agreement is reached over the establishment of a joint commission to manage and market hydrocarbons ("Turkey ready", 2013).

More worrying are recent political developments in Turkey. A protest by a handful of environmental groups in late May 2013 against a new construction project on one of the few remaining green spaces in central Istanbul erupted into a mass country-wide protest against the perceived autocratic style and conservative politics of Turkey's Prime Minister Recep Tayyip Erdoğan. The Turkish government responded with heavy-handed suppression against the protestors and subsequent demonstrations, labelling the participants as terrorists and claiming that a foreign 'interest rate lobby' seeks to undermine the AK Party's successes over the past decade (İdiz, 2013). The Turkish government was criticized by the EU over the disproportionate use of force against protestors, and the 28-nation bloc sent a further message of disapproval by delaying the formal negotiation process for Chapter 22, a new policy chapter in Turkey's accession talks, until October 2013.

In the short-term, prospects for hydrocarbon development playing an enabler role for cooperation and reconciliation in the Eastern Mediterranean are not promising. Given the hardening of positions on the part of all parties to the Cyprus conflict, hydrocarbon development is more likely to drive the communities further apart and lead to a hardening of Turkey's position vis-à-vis the Cyprus problem.

Faced with a serious domestic political crisis at home, an escalating civil war in Syria, a faltering peace process with its Kurdish community, and elections in 2014, Turkey is unlikely to be in a position to focus on the complex geopolitical situation in the Eastern Mediterranean.

In the short-term, prospects for hydrocarbon development playing an enabler role for cooperation and reconciliation in the Eastern Mediterranean are not promising. Given the hardening of positions on the part of all parties to the Cyprus conflict, hydrocarbon development is more likely to drive the communities further apart and lead to a hardening of Turkey's position vis-à-vis the Cyprus problem.

Moreover, if both the Greek Cypriots, supported internationally, and the Turkish Cypriots, backed by Turkey, continue to engage in unilateral actions offshore Cyprus, in a context of increasing militarisation, the probability of confrontation rises.

Regarding Israel, energy cooperation with Turkey is dependent on a number of variables. Although there is a normalization process on-going between the two countries, as discussed above, there remain many internal and external political factors which could potentially undermine the relationship. Meanwhile, there is a debate in Israel as to the economic and geopolitical merits of the Turkish-Israeli pipeline project. And finally, companies developing Israeli gas reserves – which are still evaluating the pipeline option as well as other export possibilities – will have a major say on the matter.

References

22 numaralı başlığın açılmasını engellemeyin [Don't block opening of chapter 22] (2013, June 14). *Kıbrıs*. Retrieved from http://www.kibrisgazetesi.com/index.php/cat/3/news/159833/PageName/Guney_Kibris

A new period in natural gas and oil exploration (2013, February 24). *TRT English*. Retrieved from http://www.trt-world.com/trtworld/en/newsdetail.aspx?haberkodu=9c181db3-1612-45d4-991e-7100c606c09d

Ayat, K. (2013a, June 14). Lebanon still on track despite neighbouring turmoil. *Natural Gas Europe.* Retrieved from http://www.naturalgaseurope.com/lebanon-still-on-track-despite-neighboring-turmoil?utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=1b08a2715e-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_c95c702d4c-1b08a2715e-307756593

Ayat, K. (2013b, July 11). Lebanon: Israel could be 'stealing' its gas. *Natural Gas Europe*. Retrieved from http://www.naturalgaseurope.com/lebanon-israel-natural-gas?utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=7649606c3c-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_c95c702d4c-7649606c3c-307756593

Barkat, A. (2012a, July 25). Cyprus moves forward with Israel-Europe gas pipeline *Globes*. Retrieved from http://www.globes.co.il/serveen/globes/docview.asp?did=1000768889&fid=1725

Barkat, A. (2012b, November 21). Turkish official proposes gas pipeline from Israel. *Globes*. Retrieved from http://www.globes.co.il/serveen/globes/docview.asp?did=1000800189&fid=1725

Barkat, A. (2013a, January 29). Turkey could be anchor customer for Israeli gas. *Globes*. Retrieved from http://www.globes.co.il/serveen/globes/docview.asp?did=1000818049&fid=1725

Barkat, A. (2013b, June 2). Regulator allows Leviathan gas export talks. *Globes*. Retrieved from http://www.globes.co.il/serveen/globes/docview.asp?did=1000848946&fid=1725

Barkat, A. (2013c, June 19). Pipeline to Turkey or LNG to China? *Globes*. Retrieved from http://www.globes.co.il/serveen/globes/docview.asp?did=1000854063&fid=4343

Barkat, A. (2013d, July 28). Woodside's Leviathan deal on verge of collapse. *Globes*. Retrieved from http://www.globes.co.il/serveen/globes/docview.asp?did=1000866170&fid=1725

Barkat, A. & Omer, I. (2012, February 16). Israel and Cyprus upgrade ties. *Globes*. Retrieved from http://www.globes.co.il/serveen/globes/docview.asp?did=1000725505&fid=1725

Bassam, L. (2013, April 18). Lebanon selects 46 firms to bid for offshore gas exploration. *Reuters.* Retrieved from http://www.reuters.com/article/2013/04/18/lebanon-gas-idUSL5N0D549Z20130418

Başeren, S.H. (2010). *Dispute over Eastern Mediterranean maritime jurisdiction areas*. Istanbul: Türk Deniz Araştırmaları Vakfı Yayınları.

Berger, A. (2013, August 7). Natural gas at the Supreme Court: Far-reaching consequences. *The Jerusalem Post*. Retrieved from http://www.jpost.com/Opinion/Op-Ed-Contributors/When-the-wider-public-sphere-becomes-the-correct-forum-322380

Booth, W. (2013, May 8). Israel, once energy-dependent, is new big gas producer. *Washington Post.* Retrieved from http://www.washingtonpost.com/world/middle_east/israel-once-energy-dependent-is-new-big-gas-producer/2013/05/07/75be92f4-b410-11e2-9fb1-62de9581c946_story.html

Bozkurt, H. (2013, July 23). Mavi Marmara'da yeni gelişme [New development in Mavi Marmara]. *Habertürk*. Retrieved from http://www.haberturk.com/dunya/haber/862907-mavi-marmarada-yeni-gelisme

Cagaptay, S., & Evans, T. (2012). The unexpected vitality of Turkish-Israeli trade. Research Notes Washington Institute for Near East Policy, 16. Retrieved from http://www.washingtoninstitute.org/policy-analysis/view/the-unexpected-vitality-of-turkish-israeli-trade-relations

Cashman, G. F. (2011, November 3). Peres, Cypriot counterpart discuss gas cooperation. *The Jerusalem Post*. Retrieved from http://www.jpost.com/Diplomacy-and-Politics/Peres-Cypriot-counterpart-discuss-gas-cooperation

CIA World FactBook (2012). Country comparison: Energy. Retrieved from https://www.cia.gov/library/publications/the-world-factbook/docs/profileguide.html

Court confirms Israeli gas-export policy (2013, October 22).

Cyprus: ENI exploratory drilling in block 9 within 2014 (2013, July 12). *Financial Mirror*. Retrieved from http://www.financialmirror.com/news-details.php?nid=30422

Demirezen, S. S. (2013, May 10). Energy resources to maintain peace in Eastern Mediterranean: Turkish president. *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/energy-resources-to-maintain-peace-in-eastern-mediterranean-turkish-president-.aspx?pageID=238&nID=46617&NewsCatID=348

Dombey, D. & Reed, J. (2013, March 24). Israel and Turkey eye ties on Syria. *Financial Times*. Retrieved from http://www.ft.com/intl/cms/s/0/954d2424-9498-11e2-9487-00144feabdc0.html

Deputy Minister: Cyprus impedes Turkey's energy plans (2012, May 27). *Cyprus News Agency*. Retrieved from http://www.hri.org/news/cyprus/cna/2012/12-05-27.cna.html

Energy project is a new corridor for Turkish-Greek ties (2013, July 20). *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/energy-project-is-a-new-corridor-for-turk-greek-ties.aspx?pageID=238&nID=51067&NewsCatID=348

Erdil, M. (2013, March 24). İsrail-Ceyhan Boru Hattı'nın önü açıldı [The Path for Israel-Ceyhan Pipeline is Open]. *Hürriyet*. Retrieved from http://www.hurriyet.com.tr/ekonomi/22884214.asp

Erkuş, S. (2013a, April 11). Israel energy envoy Lotem in Ankara. *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/israel-energy-envoy-lotem-in-ankara.aspx?pageID=238&nid=44663

Erkuş, S. (2013b, April 12). Israel sees 'Med-Streams' in service of regional diplomacy. *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/israel-sees-med-streams-in-service-of-regional-diplomacy.aspx?pageID=238&nid=44766

Eurogas (2012). *Statistical report*. Retrieved from http://www.eurogas.org/statistics/

European Union sets forward its natural gas priorities (2013, May 1). *Natural Gas Europe*. Retrieved from http://www.naturalgaseurope.com/european-union-sets-forward-its-natural-gas-priorities

EU-Turkey agree on Arab gas pipeline cooperation (2008, May 6). *Hürriyet Daily News*. Retrieved from http://www.hurriyet.com.tr/english/turkey/8871261.asp

'Feasibility' needed for Israeli energy projects (2013, April 9). *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/feasibility-needed-for-israeli-energy-projects.aspx?pageID=238&nid=44522

Gaza Marine gas field, Palestine. *Offshore Technology*. Retrieved from http://www.offshore-technology.com/projects/gaza-marine-gas-field/

Geropoulos, K. (2012, June 3). Greece, Cyprus, Israel redefine Southern Gas Corridor. *New Europe*. Retrieved from http://www.neurope.eu/article/greece-cyprus-israel-redefine-southern-gas-corridor

Gloystein, H. (2013a, June 19). Cyprus looks to Israel to back East Med LNG terminal plan. *Reuters.* Retrieved from http://www.reuters.com/article/2013/06/19/cyprus-gas-idUSL5N0ET2MQ20130619

Gloystein, H. (2013b, June 19). Cyprus cabinet approves preliminary deal for LNG terminal. *Reuters.* Retrieved from http://www.reuters.com/article/2013/06/19/cyprus-gas-idUSL5N0EV3SX20130619

Gürel, A., Mullen, F., & Tzimitras, H. (2013). *The Cyprus hydrocarbons issue: Context, positions and future scenarios.* Report 1/2013. Nicosia: PRIO Cyprus Centre.

Gürsel, K. (2013, July 9). Turkey's Israel problem. *Al-Monitor*. Retrieved from http://www.al-monitor.com/pulse/originals/2013/07/turkey-israel-normalization-threat-gezi.html

Haksız ve taraflı [Unfair and biased] (2013, April 24). *Kıbrıs*.

Hava, E. (2013a, March 27). ENI suspended over Cyprus row as uncertainty lingers. *Today's Zaman*. Retrieved from http://www.todayszaman.com/news-310866-eni-suspended-over-cyprus-row-as-uncertainty-lingers.html

Hava, E. (2013b, May 10). Ankara 'closer' to joint energy projects with Israel, Greek Cyprus. *Today's Zaman*. Retrieved from http://www.todayszaman.com/news-315092-.html

Hazou, E. (2013, June 5). Cyprus to sell gas reserves by 2020. *Cyprus Mail*. Retrieved from http://cyprus-mail.com/2013/06/05/cyprus-to-sell-gas-reserves-by-2020/

Henderson, S. (2012). Energy discoveries in the eastern Mediterranean: Source for cooperation or fuel for tension? The case of Israel. Policy Brief. Washington, DC: Mediterranean Policy Program of the German Marshall Fund of the United States. Retrieved from http://www.gmfus.org/archives/energy-discoveries-in-the-eastern-mediterranean-source-for-cooperation-or-fuel-for-tension-the-case-of-israel/

Huber, D., & Tocci, N. (2013). Behind the scenes of the Turkish-Israeli breakthrough. IAI Working Papers, 1315. Retrieved from http://www.iai.it/content.asp?langid=2&contentid=911

İdiz, S. (2013, July 4). More divisive talk out of the AKP. *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/more-divisive-talk-out-of-the-akp.aspx?pageID=449&nID=49956&NewsCatID=416

İki adet savaş gemisi alınacak [Two war ships to be purchased] (2013, July 16). *Kıbrıs*. Retrieved from http://www.kibrisgazetesi.com/index.php/cat/2/news/161752/PageName/Ic_Haberler

İkinci izin Güzelyurt için [Second licence for Güzelyurt] (2012, July 10). *Kıbrıs*. Retrieved from http://www.kibrisgazetesi.com/index.php/cat/5/news/143505/PageName/Ekonomi

International Crisis Group (2012). *Aphrodite's gift: Can Cypriot gas power a new dialogue?* Europe Report No. 216, Istanbul.

Ioannis Kasoulides: Cracking Cyprus (2013, April 17). *Al Jazeera*. Retrieved from http://www.aljazeera.com/programmes/talktojazeera/2013/04/2013416114243281554.html

Israel, Blair agree to advance Gaza Marine field (2013, April 9). *Middle East Economic Survey*. Retrieved from http://www.mees.com/en/articles/7358-israel-blair-agre-to-advance-gaza-marine-field

Israel eyes gas export options (2013, April 11). *Argus*. Retrieved from http://www.argusmedia.com/News/Article?id=842287

Kaminara, A. (2013, 22 May). Cyprus gas: To pipeline or not to pipeline – that is the question? Retrieved from http://akaminara.wordpress.com/2013/05/22/cyprus-gas-to-pipeline-or-not-to-pipeline-that-is-the-question/

Konuralp, T. (2013, May 16). Türkiye Petrolleri Anonim Ortaklığı Yenidüzen'e açıkladı: "Karpaz'da petrol arıyoruz" [Turkish Petroleum Corporation tells YENİDÜZEN: We are looking for petrol in Karpas]. *Yenidüzen*. Retrieved from http://www.yeniduzen.com/Haberler/haberler/tpao-yeniduzene-acikladi/3678

Lotem, M. (2013). The energy policy of Israel: Challenges and opportunities. The 12th Turkish International Oil and Gas Conference—TUROGE 2013 (2013, April 10-11), Ankara.

Ministry of Foreign Affairs of the Russian Federation (2013, April 17). Speech by Sergey Lavrov during joint press conference with Turkish Foreign Minister Ahmet Davutoğlu. Retrieved from http://www.mid.ru/brp_4.nsf/0/5B315D17C1637E5744257B5200405AC0

Mitnick, J. (2013, March 26). Israel and Turkey explore energy ties. *The Wall Street Journal*. Retrieved from http://online.wsj.com/article/SB10001424127887324105204578382243773388484.html

Morley, N. (2013, June 30). Russia eyeing Cyprus bases. *Cyprus Mail*. Retrieved from http://cyprus-mail.com/2013/06/30/russia-eyeing-cyprus-bases/

Nathanson, R., & Levy, R. (Eds.). (2012). *Natural Gas in the Eastern Mediterranean: Casus belli or chance for regional cooperation?* Tel Aviv: The Israeli European Policy Network and the Institute for National Security Studies.

New era in Cyprus Israel relations (2013, May 7). *Cyprus Mail*. Retrieved from http://www.cyprus-mail.com.php53-12.ord1-1.websitetestlink.com/anastasiades/new-era-cyprus-israel-relations/20130507

Noble Energy (2013, October 3). Noble energy announces appraisal drilling and flow test results offshore Republic of Cyprus. Retrieved from http://investors.nobleenergyinc.com/releases.cfm

Orphanides, S. (2012, September 7). Cyprus gas discoveries may help overcome divisions, Hague says. *Bloomberg*. Retrieved from http://www.bloomberg.com/news/2012-09-07/cyprus-gas-discoveries-may-help-overcome-divisions-hague-says.html

Papas, J. (2013, July 10). Mediterranean Sea plays offer new opportunities. *Offshore*. Retrieved from http://www.offshore-mag.com/articles/print/volume-73/issue-7/offshore-mediterranean/mediterranean-sea-plays-offer-new-opportunities.html

Ravid, B. (2013, May 27). Israel-Turkey reconciliation talks hit impasse over scope of compensation. *Haaretz*. Retrieved from http://www.haaretz.com/news/diplomacy-defense/israel-turkey-reconciliation-talks-hit-impasse-over-scope-of-compensation.premium-1.526279

Raz, H. (2013, October 21). A victory for the Israeli government: Supreme Court rejects petition to halt Israel's natural gas exports. *Haaretz*. Retrieved from http://www.haaretz.com/business/.premium-1.553687

Rende, M. (2013). Recent Gas Discoveries in the Eastern Mediterranean: A Turkish Perspective. Conference on Eastern Mediterranean New Frontiers (2013, April 22-23), London.

Republic of Cyprus Press and Information Office (RoC PIO) (2008, May 23). Joint Statement by Greek Cypriot Leader Demetris Christofias and Turkish Cypriot Leader Mehmet Ali Talat. Retrieved from http://www.moi.gov.cy/moi/pio/pio.nsf/All/32EA5AF09120DE02C225746300291825?OpenDocument

RoC PIO (2011, October 6). Statements by the Government Spokesman. Retrieved from http://www.cyprus.gov.cy/moi/pio/pio.nsf/0/1a80c6a9b4d04bd3c2257921002af4d0?OpenDocument&print

Republic of Turkey Ministry of Foreign Affairs (2010, December 21). Press Release Regarding the Exclusive Economic Zone (EEZ) Delimitation Agreement Signed Between Greek Cypriot Administration and Israel. No: 288. Retrieved from http://www.mfa.gov.tr/no_-288_-21-december-2010_-press-release-regarding-the-exclusive-economic-zone-_eez_-delimitation-agreement--signed-between-greek-cypriot-administration-and-israel.en.mfa

Republic of Turkey Ministry of Foreign Affairs (2012a, February 15). Press Release Regarding the Second International Tender for Off-Shore Hydrocarbon Exploration Called by the Greek Cypriot Administration (GCA). No: 43. Retrieved from http://www.mfa.gov.tr/no_-43_-15-february-2012_-secondinternational-tender-for-off_shore-hydrocarbon-exploration-called-by-the-greekcypriot-administration-_gca_.en.mfa

Republic of Turkey Ministry of Foreign Affairs (2012b, May 18). Press Release Regarding the International Tender for Off-shore Hydrocarbon Exploration and Exploitation Opened by the Greek Cypriot Administration. No: 140. Retrieved from http://www.mfa.gov.tr/no_-140_-18-may-2012_-press-release-regarding-the-international-tender-for-off_shore-hydrocarbonexploration-and-exploitation-opened-by-the-greek-cypriot-administration.en.mfa

Republic of Turkey Ministry of Foreign Affairs (2013a, March 20). Statement Regarding the Claims of the GCASC [Greek Cypriots Administration of South Cyprus] on Hydrocarbon Resources in the Eastern Mediterranean. No: 83. Retrieved from http://www.mfa.gov.tr/no_-83_-23-march-2013_-statement-regarding-the-claims-of-the-gcasc-on-hydrocarbon-resources-in-the-eastern-mediterranean.en.mfa

Republic of Turkey Ministry of Foreign Affairs (2013b, June 14). Press Release Regarding the Second Drilling Activity of the Greek Cypriots. No. 170. Retrieved from http://www.mfa.gov.tr/no_-170_-14-june-2013_-press-release-regarding-the-second-drilling-activity-of-the-greek-cypriots.en.mfa

Scheer, S. (2013, August 6). Israeli gas group in talks on pipelines to Turkey, Jordan, Egypt. *Reuters*. Retrieved from http://www.reuters.com/article/2013/08/06/delek-natgas-exports-idUSL6N0G72F920130806

Sherwood, H. & MacAskill, E. (2013, March 22). Netanyahu apologises to Turkish PM for Israeli role in Gaza flotilla raid. *The Guardian*. Retrieved from http://www.guardian.co.uk/world/2013/mar/22/israel-apologises-turkey-gaza-flotilla-deaths

Socor, V. (2013, June27). Shah Deniz gas producers select Trans-Adriatic Pipeline Route into Europe over Nabucco. *Eurasia Daily Monitor*, 10(122). Retrieved from http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Bswords%5D=8fd5893941d69d0be3f378576261ae3e&tx_ttnews%5Bany_of_the_words%5D=TAP%20greece&tx_ttnews%5Btt_news%5D=41084&tx_ttnews%5BbackPid%5D=7&cHash=9e516f11ffc3ca1ab3c2c4188542eda8

Solomon, A. B. (2013, February 15). Israel offered to lay pipeline through Turkey. *The Jerusalem Post*. Retrieved from http://www.jpost.com/Diplomacy-and-Politics/Israel-offered-to-lay-pipeline-through-Turkey

Spokesman - Turkish - Cyprus - EEZ Explorations ((2011, September 26). *Cyprus News Agency*. Retrieved from http://www.hri.org/news/cyprus/cna/2011/11-09-26_1.cna.html

State of Israel Ministry of Energy and Water Resources (2012). *The recommendations of the Inter-Ministerial Committee for the examination of government policy on the Israeli natural gas economy: Executive summary.* Retrieved from http://energy.gov.il/English/PublicationsLibraryE/pa3161ed-B-REV%20main%20recommendations%20Tzemach%20report.pdf

Tommer, Y. (2009, March 5). Mid-East turmoil should not block MedStream pipeline. Israel-Asia Center. Retrieved from http://www.israelasiacenter.org/#/medstream-article/4533054407

Total signs outline deal on Cyprus LNG facility (2013, June 15). *Reuters.* Retrieved from http://www.reuters.com/article/2013/06/25/us-cyprus-lng-idUSBRE95O0QY20130625

Trilnick, I. (2013a, February 15). Jordan in secret talks to import natural gas from Israel's Tamar field. *Haaretz*. Retrieved from http://www.haaretz.com/business/jordan-in-secret-talks-to-import-natural-gas-from-israel-s-tamar-field.premium-1.503672

Trilnick I. (2013b, February 27). Tamar partners, Gazprom agree to join forces to export liquefied gas. *Haaretz.* Retrieved from http://www.haaretz.com/business/tamar-partners-gazprom-agree-to-join-forces-to-export-liquefied-gas.premium-1.506060

Turkey denies deadlock in Turkey-Israel compensation talks (2013, May 28). *Today's Zaman*. Retrieved from http://www.todayszaman.com/news-316758-turkey-denies-deadlock-in-turkey-israel-compensation-talks.html

Turkey, Israel agree on pipeline linking Black Sea and Red Sea (2006, December 15). *Haaretz*. Retrieved from http://www.haaretz.com/news/turkey-israel-agree-on-pipeline-linking-black-sea-and-red-sea-1.207285

Turkey may "reconsider" local Eni investments over Greek Cyprus ties. (2012, November 3). *Hürriyet Daily News*. Retrieved from http://www.hurriyetdaily

news.com/turkey-may-reconsider-local-eni-investments-over-greek-cyprus-ties.aspx?pageID=238&nid=33870

Turkey, north Cyprus sign new energy deal (2011, November 3). *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/turkey-north-cyprus-sign-new-energy-deal.aspx?pageID=238&nID=6418&NewsCatID=338

Turkey ready to negotiate two-state solution for Cyprus: Turkish FM (2013, March 28). *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/turkey-ready-to-negotiate-two-state-solution-for-cyprus-turkish-fm.aspx?pageID=238&nid=43820

Turkey, Shell to sign Med oil drilling deal (2011, November 17). *Hürriyet Daily News.* Retrieved from http://www.hurriyetdailynews.com/turkey-shell-to-sign-med-oil-drilling-deal.aspx?pageID=238&nID=6721&NewsCatID=348

Turkey signs deal with Shell for oil, gas search in Mediterranean (2011, November 23). *Today's Zaman*. Retrieved from http://www.todayszaman.com/news-263655-turkey-signs-deal-with-shell-for-oil-gas-search-in-mediterranean.html

Turkey to produce its own seismic ship to find fuel (2012, April 25). *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/turkey-to-produce-its-own-seismic-ship-to-find-fuel.aspx?pageID=238&nid=19207

Turkey's TPAO starts oil, natural gas search in northern Cyprus (2012, April 26). *Today's Zaman.* Retrieved from http://www.todayszaman.com/news-278643-turkeys-tpao-starts-oil-natural-gas-search-in-northern-cyprus.html

Turkey's Zorlu Group pushing Israel to approve gas exports (2013, February 14). *Today's Zaman*. Retrieved from http://todayszaman.com/news-307017-turkeys-zorlu-group-pushing-israel-to-approve-gas-exports.html

Turkish Foreign Ministry over the oil exploration by the Republic of Cyprus (2008, November 25). *Cyprus PIO: Turkish Press and Other Media*. Retrieved from http://www.hri.org/news/cyprus/tcpr/2008/08-11-25.tcpr.html#03

Udasin, S. (2013, June 23). Government approves natural gas export policy. *The Jerusalem Post.* Retrieved from http://www.jpost.com/Diplomacy-and-Politics/Government-approves-export-of-40-percent-of-Israels-gas-reserves-317464

UN (2012a). Letter dated 15 June 2012 from the Permanent Representative of Cyprus to the United Nations addressed to the Secretary-General. UN Doc. No. A/66/851. Retrieved from http://www.un.org/depts/los/LEGISLATIONANDTREATIES/STATEFILES/CYP.htm

UN (2012b, June 29). Report of the Secretary-General on the UN operations in Cyprus. UN Doc. S/2012/507. Retrieved from http://www.unficyp.org/nqcontent.cfm?a_id=1630

UN (2012c). Letter dated 5 September 2012 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General. UN Doc.

A/66/899. Retrieved from http://www.un.org/ga/search/view_doc.asp?symbol=A/66/899

UN (2013a, January 7). Report of the Secretary-General on the UN operations in Cyprus. UN Doc. S/2013/7. Retrieved from http://www.unficyp.org/nqcontent.cfm?a_id=1630

UN (2013b, July 5). Report of the Secretary-General on the UN operations in Cyprus. UN Doc. S/2013/392. Retrieved from http://www.unficyp.org/nqcontent.cfm?a_id=1630

U.S. Department of State (2011, September 9). Daily Press Briefing. Retrieved from http://www.state.gov/r/pa/prs/dpb/2011/09/174549.htm

U.S. Department of State (2012a, July 13). Press Conference by Philip H. Gordon, Assistant Secretary, Bureau of European and Eurasian Affairs in Nicosia, Cyprus. Retrieved from http://www.state.gov/p/eur/rls/rm/2012/195058.htm

U.S. Department of State (2012b, September 27). New York Foreign Press Center briefing with Assistant Secretary for Europe and Eurasian Affairs Phillip Gordon. Retrieved from http://fpc.state.gov/198272.htm

U.S. Energy Information Administration (EIA). (2013a, February 1). *Turkey Analysis Brief*. Retrieved from http://www.eia.gov/countries/analysbriefs/Turkey/turkey.pdf

U.S. EIA (2013b, February 20). *Syria – Overview.* Retrieved from http://www.eia.gov/countries/cab.cfm?fips=SY

U. S. Geological Survey (2010). Assessment of Undiscovered Oil and Gas Resources of the Levant Basin Province, Eastern Mediterranean. Retrieved from http://pubs.usgs.gov/fs/2010/3014/pdf/FS10-3014.pdf

Verma, N. (2013, June 11). Exxon in talks for stake in Turkey's Black Sea block. *Reuters.* Retrieved from http://www.reuters.com/article/2013/06/11/turkey-tpao-idUSL5N0EN2S320130611

Wurmser, D. (2013, April 4). The Geopolitics of Israel's Offshore Gas Reserves. Jerusalem Center for Public Affairs. Retrieved from http://jcpa.org/article/the-geopolitics-of-israels-offshore-gas-reserves/

Yetkin, M. (2013a, May 27). New pipeline offers could enforce Turkish diplomacy. *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/new-pipeline-offers-could-enforce-turkish-diplomacy.aspx?pageID=238&nid=47725

Yetkin, M. (2013b, May 28). İsrail, Kıbrıs ve Kürt gaz hatlarına şartlı yeşil ışık [Conditional green light to Israeli, Cypriot and Kurdish gas routes]. *Radikal*. Retrieved from http://www.radikal.com.tr/yazarlar/murat_yetkin/israil_kibris_ve_kurt_gaz_hatlarina_sartli_yesil_isik-1135228

Yetkin, M. (2013, July 9). Turkish foreign policy after the coup in Egypt. *Hürriyet Daily News*. Retrieved from http://www.hurriyetdailynews.com/turkish-

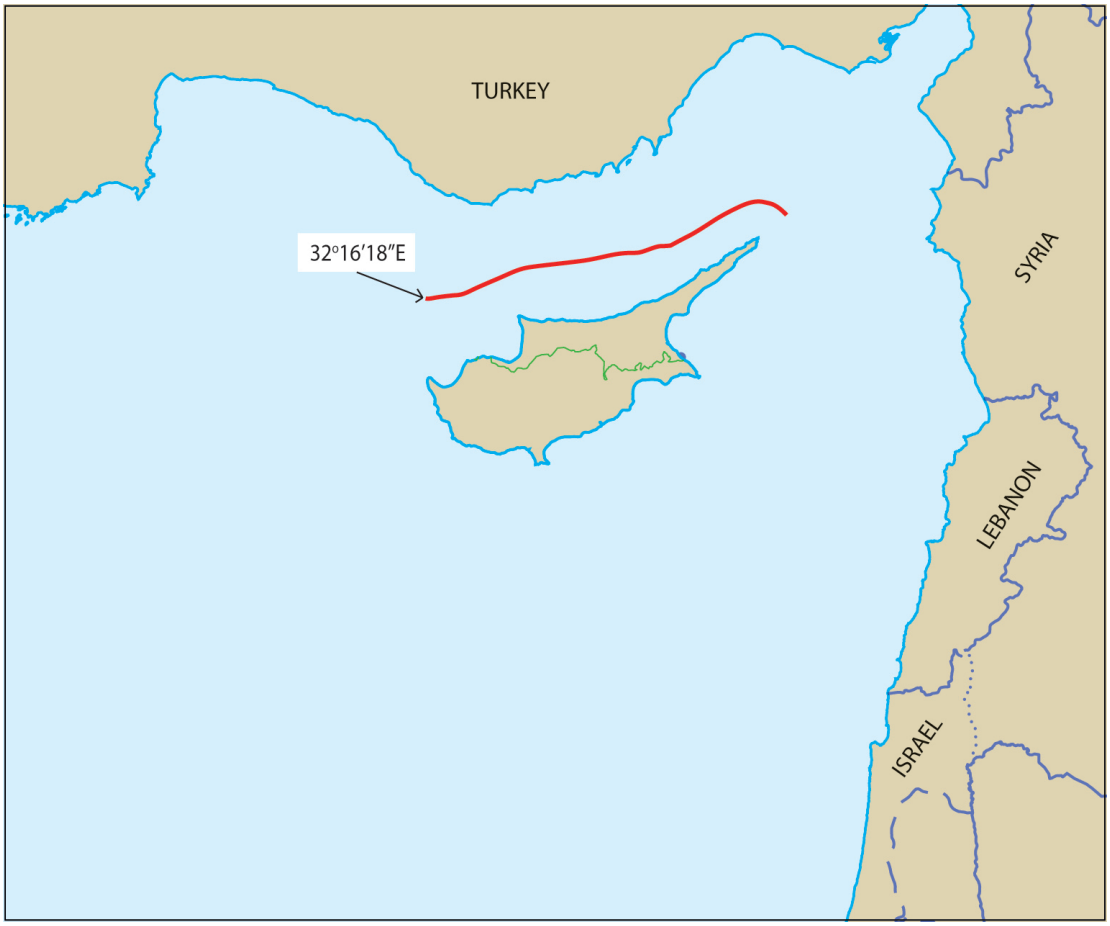
foreign-policy-after-the-coup-in-egypt.aspx?pageID=449&nID=50292&NewsCatID=409

Yıldız'dan Kıbrıs açıklaması [Cyprus statement from Yıldız] (2013, July 17). *Ekonomi Kıbrıs*. Retrieved from http://www.ekonomikibris.com/haber/yildizdan-kibris-aciklamasi/332/

APPENDIX – MAPS

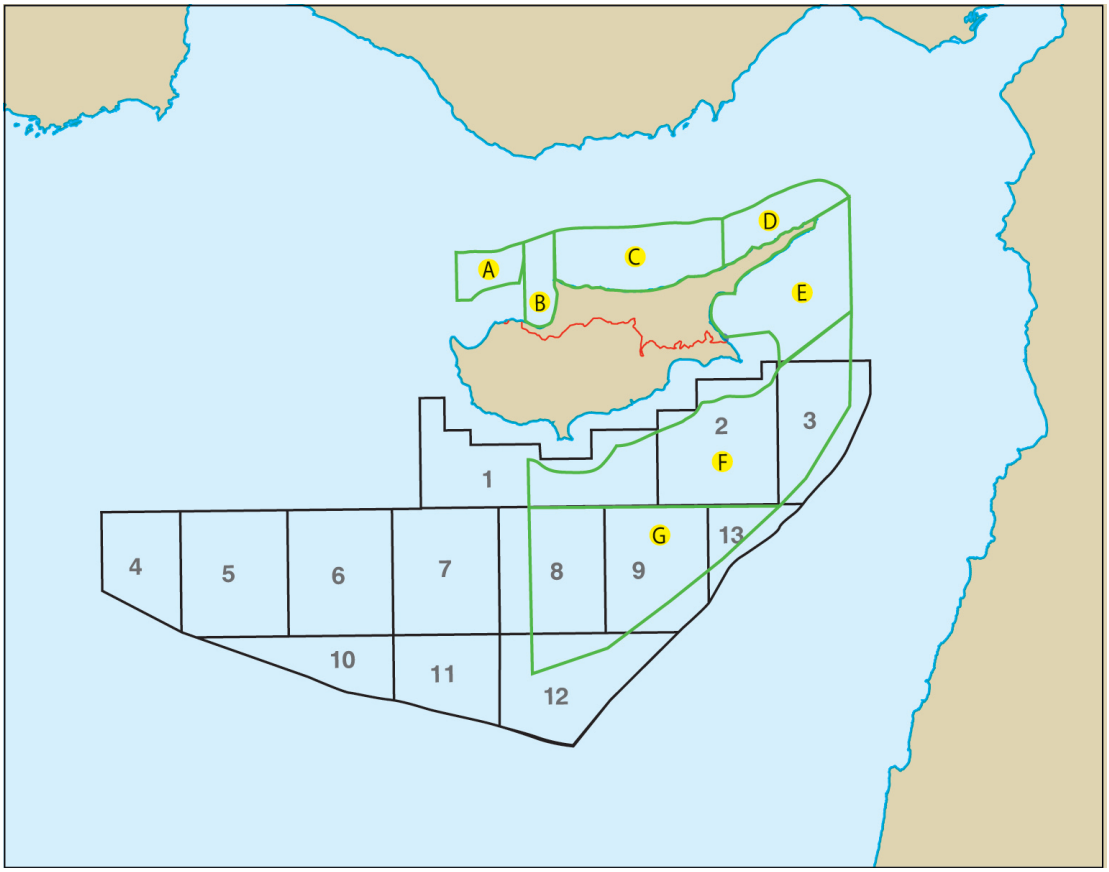
MAP 1

Maritime border defined in the continental shelf agreement signed between the TRNC and Turkey. [Source: Agreement Concerning the Delimitation of the Continental Shelf in the Mediterranean Sea between the Turkish Republic of Northern Cyprus and the Republic of Turkey, 21 September 2011]



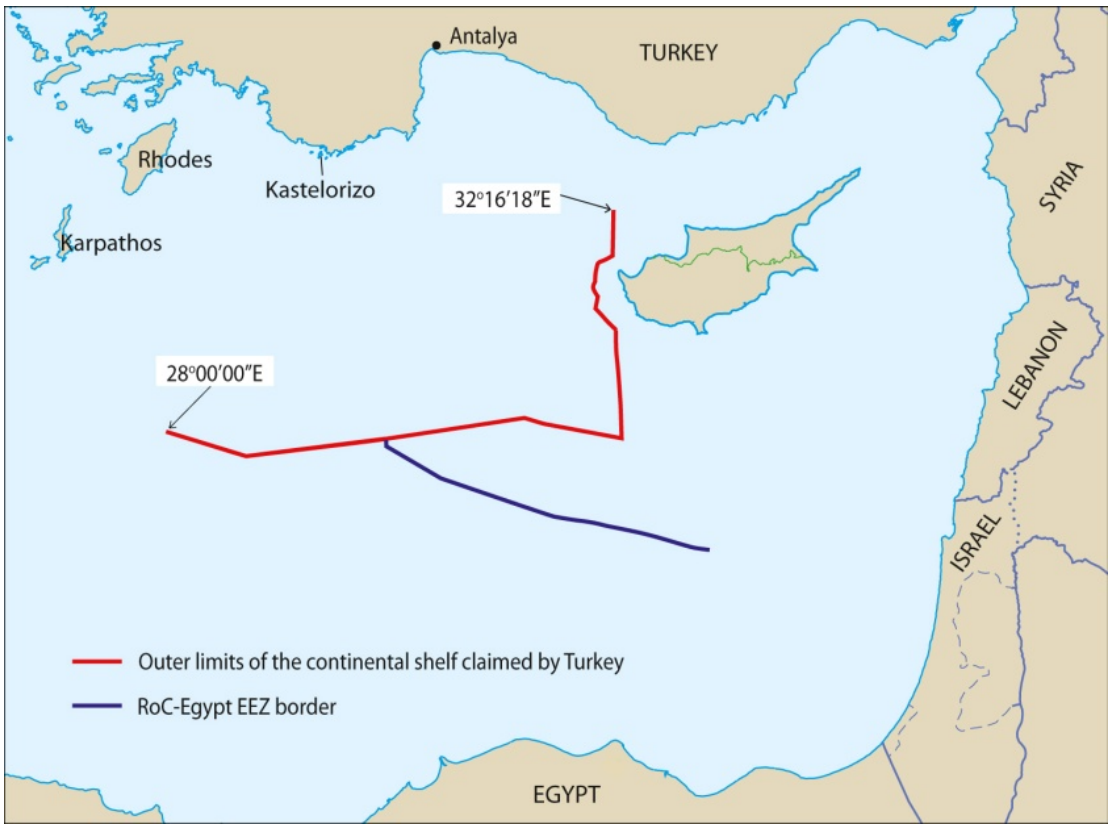
MAP 2

The TRNC licensing blocks overlapping with some of the RoC licensing blocks. [Source: Turkish MFA]



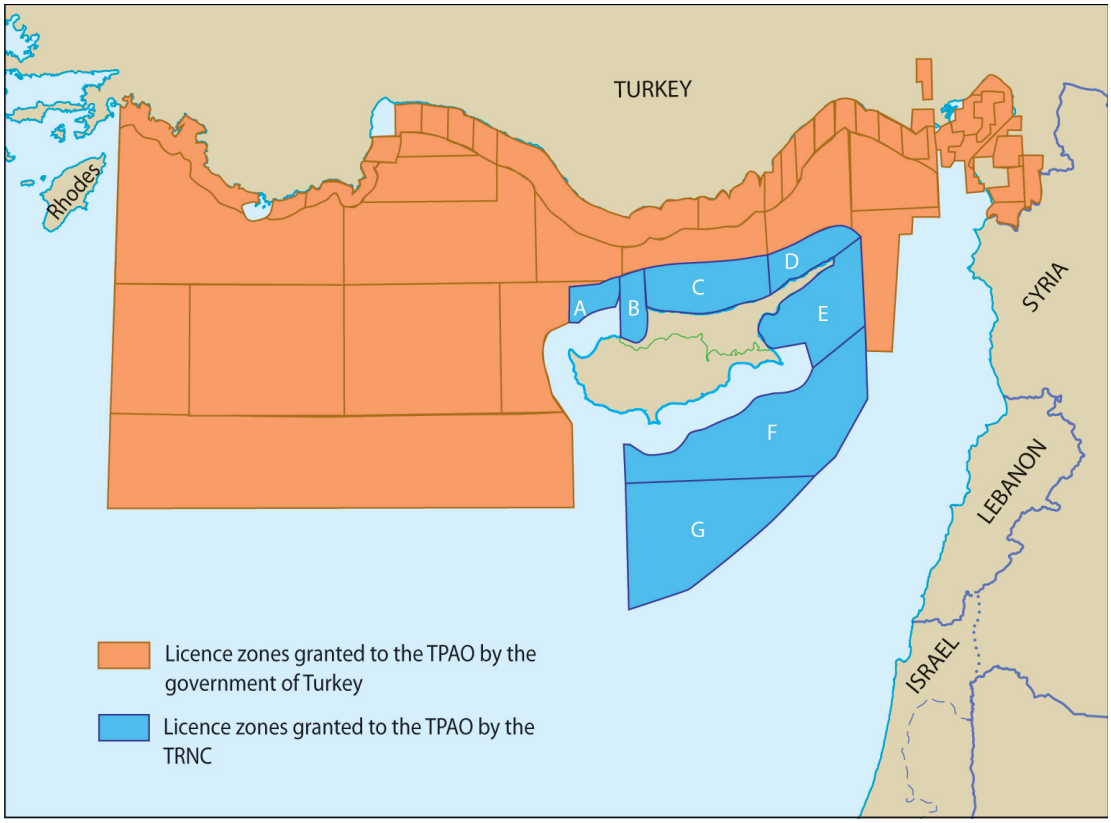
MAP 3

Turkish view of maritime delimitation between Turkey and Egypt. If Turkey's claim were to be accepted, Turkey and Egypt would become neighbours in the sea (coastal states with opposite coasts), which would as a result affect the agreed EEZ boundary between Egypt and the RoC. [Source: Erciyes (2012)]



MAP 4

TPAO exploration licences in the Eastern Mediterranean Sea. [Source: TPAO]



Global Political Trends Center (GPoT Center)
Istanbul Kültür University, Turkey

www.gpotcenter.org
www.facebook.com/gpotcenter
www.twitter.com/gpotcenter