

Natural Gas Issues in the Eastern Mediterranean: The Case of the Israeli-Lebanese Conflict

Abstract

For over a decade, Lebanon and Israel have been involved in a maritime border dispute. On the one hand, Lebanon has upheld international law, notably the Law of Sea, to defend its position. On the other hand, Israel has based its argument on the maritime border demarcation plan defined between Lebanon and Cyprus. After several rounds of negotiations, the discussions reached a deadlock in 2020. A new round of indirect negotiations was launched in June 2022, following the arrival of a drilling and production vessel on the Israeli side. This time, under the weight of an unprecedented economic crisis, the Lebanese political class seems to be adopting a unified position. At the same time, Israel seeks to press forward with gas exports to Europe amid the Russian-Ukrainian conflict without any legal prejudice to its production rights. This context offers a renewed incentive for agreement. However, many obstacles still need to be overcome, and the possibility of conflict or lingering disagreement should still be considered.

Introduction

Lebanon and Israel are embroiled in a border dispute and have yet to reach an agreement to demarcate their maritime borders. On Sunday, June 5, 2022, a drilling and production vessel belonging to the oil company Energean arrived in the disputed maritime area to undertake the exploration work on behalf of Tel Aviv. This increased the urgency of the negotiations on the demarcation of maritime borders with Lebanon¹. The latter, which is seeking to join the club of gas-producing countries in the Eastern Mediterranean, has been faced for a decade with the complexity of demarcating its exclusive economic zone (EEZ) with neighboring countries, including Israel. In this context, Beirut has been trying to preserve its economic interests throughout several rounds of negotiations. Suffering from a serious economic crisis, this country is trying to find a way out through natural resources. However, this effort has been hampered by the complexity of the Lebanese political system and of regional problems, notably Israeli-Iranian tensions. In addition, Lebanon is facing an adversary whose military power largely exceeds its own. The war in Ukraine has caused natural gas and oil prices to rise, and Europe, whose goal is now to reduce its dependence on Russia, is compelled to redefine its energy strategy. This objectively shapes an environment more conducive to the conclusion of an agreement on the delimitation of the Lebanese-Israeli maritime borders. Will the two countries be able to take advantage of these circumstances to reach an agreement? What are the different possible scenarios? First, we will review the history of the negotiations in order to better understand their current state. The main points of contention that are delaying this agreement will then be examined. Finally, we will be analyzing the changes that have occurred since the last disruption in the negotiations and their potential consequences.

A decade of negotiations

In 2007, Lebanon and Cyprus signed a bilateral maritime boundary demarcation agreement. Under the said agreement, point 1 is determined as the point of intersection between the three borders – Lebanese, Cypriot and Israeli. In 2009, Cyprus ratified this agreement, but Lebanon has not. The Lebanese authorities realised that due to a technical error, the space granted to Lebanon was smaller than the space to which it is entitled under the Law of the Sea. The Lebanese government, therefore, rectified the error through a decree (6433/2011) and sent to the UN the list of geographical coordinates delimiting its exclusive economic zone with Cyprus and “Palestine”². According to this list, point 1 is moved to point 23, located further south. This gives Lebanon an additional 860 km². However, in December 2010, Israel and Cyprus signed a bilateral agreement on the demarcation of their maritime borders taking into consideration the point of separation 1, which resulted in a dispute over an area of 860 km² between Lebanon and Israel. The United States intervened as a mediator. American diplomat Frederic Hof was in charge between 2010 and 2012. He proposed a new line (called the Hof line) that allocated 55 percent (490 km) of the disputed area to Lebanon and 45 percent (370 km) to Israel. However, this line did not satisfy either side, particularly Lebanon, which believes that its position is in line with international law. The issue was therefore put aside until the president of the Lebanese parliament, Nabih Berri, announced in October 2020 that he had reached a framework agreement to relaunch indirect negotiations under the auspices of the United Nations and in the presence of an American mediator³.

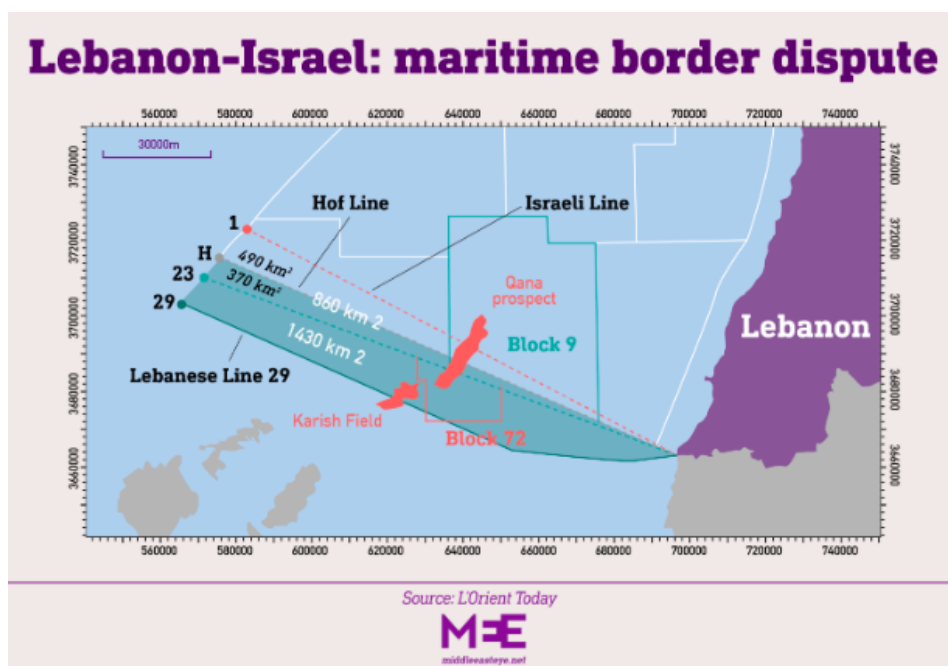
¹ Marc Daou, “[Gaz offshore : la frontière maritime entre le Liban et Israël au cœur de nouvelles tensions](#)”, France 24, June 6, 2022.

² David Amellem, “[Les problématiques des réserves gazières au large d’Israël, de Gaza, de l’Égypte, du Liban et de Chypre](#)”, Observatoire du monde arabo-musulman et du Sahel, Fondation pour la Recherche Stratégique, June 2018.

³ Sébastien Rovri, “[La négociation de la frontière maritime israélo-libanaise : droit international et intérêts géopolitiques](#)”, *Revue Défense nationale*, special issue 3 / 2021, July 23, 2021, pp. 96-101.

It is worth noting that between 2012 and 2020, three important events took place. First, Washington was able to secure a commitment from both Lebanon and Israel that they would not begin exploitation activities in the disputed area until the demarcation issue was settled⁴. Secondly, in 2014 the Lebanese army military established a hydrographic unit that did not exist when Lebanon first submitted its coordinates to the UN in 2011⁵. A new study conducted by this unit in 2018 showed that Lebanon is entitled to more space⁶. Thirdly, in 2018 a consortium made up of the French company Total, the Italian Eni and the Russian Novatek obtained a concession to explore the Lebanese maritime blocks 4 and 9⁷.

It was under these conditions that negotiations restarted in 2020. During these talks and based on a 2011 UKHO (United Kingdom Hydrographic Office) study that granted Lebanon an additional 1,350 km², and the 2018 study by the Lebanon military (an additional 70 km²), Lebanon adopted a maximalist position that would allow it to extend its maritime space to point 29, located south of point 23⁸. Thus, Lebanon corrected the shortcomings of the 2007 treaty with Cyprus and the flaws of point 23, adopted in 2011. This gives Beirut an additional 1,430 km². Israel retorted with a new, equally maximalist demand, with claims of a new line reaching the Lebanese city of Saida. As a result, the negotiation process broke down in December 2020 and came to a complete halt in May 2021. To date, exploration work has been carried out only in Block 4, where the reserves of natural gas were not sufficient for companies to invest in. As for Block 9, part of it lays in the waters disputed by Israel, making it impossible to launch the exploration process.



Source: Dario Sabaghi, "[Explained: Renewed Israel-Lebanon maritime border dispute](#)", *Middle East Eye*, June 11, 2022

⁴ David Amsellem, *op. cit.*

⁵ Sibylle Rizk, "[Le Liban lutte pour défendre ses frontières maritimes](#)", *Le Figaro*, May 3, 2021.

⁶ Charbel Skaff, "[Liban-Israël : enjeux des négociations qui portent sur 1 800 km²](#)", *L'Orient-Le Jour*, January 9, 2021.

⁷ Nicolas Sbeih, "[Conflit maritime : comment en est-on arrivé là ?](#)", *Ici Beyrouth*, June 16, 2022.

⁸ Charbel Skaff, "[Liban-Israël : enjeux des négociations qui portent sur 1 800 km²](#)", *op. cit.*

What are the obstacles?

Following the arrival of the Energean drillship in the disputed waters, the Israeli-born U.S. Senior Advisor for Energy Security, Amos Hochstein, was dispatched to Beirut on June 13 and 14, 2022 with the goal of restarting the negotiations. It is certainly in the interest of both countries to demarcate their borders so that they can make use of their resources without risking legal obstruction or potential hostilities. However, there are a number of factors working against a common vision and, consequently, against progress in the negotiations.

A first obstacle comes from the fact that Tel Aviv and Washington still do not adhere to the Montego Bay Convention on the Law of the Sea (UNCLOS), unlike Beirut. Thus, any justification for a delineation based on this Convention is reduced to a mere argument⁹. Compromise is therefore the only law governing these negotiations.

Secondly, in the 2020 negotiations, Lebanon's technical and legal case, which allows it, in theory, to extend its claims, is based on relevant references: the UNCLOS, the UKHO study conducted on the Lebanese maritime space in 2011, the case law of the International Court of Justice and of the International Tribunal for the Law of the Sea. Indeed, since 2011, the UKHO has proposed three legally compliant delineation options to Lebanon, further south than line 23. The first adopts a median line without taking into account the Israeli island of Tekhelet. It gives Lebanon an additional area of 1,350 km². The second adopts the median line considering a half effect of the island of Tekhelet. Thus, it offers Lebanon an additional 500 km². Finally, the third option adopts the line perpendicular to the coast and gives Lebanon an additional area of 200 km²¹⁰. In this regard, General Bassam Yassin, who was the head of the Lebanese delegation in charge of the negotiation with Israel, questioned: *"How come the authorities adopted and sent to the UN the coordinates of line 23 in 2011 when the UKHO report proposes two more advantageous delineations? Why was this report not brought to the attention of the Council of Ministers back then?"*¹¹. The personal interests of Lebanese leaders and the interventions of foreign powers could be behind this choice. However, the Israeli claim to Line 1 is also built on legal grounds¹². It is based on the agreement signed by Cyprus and Lebanon, demarcating their respective exclusive economic zones¹³. However, as mentioned earlier, the text, signed by the Lebanese government in 2007, has never been ratified by the Parliament. Various interpretations are therefore possible, which complicates the negotiations. Their outcome depends on the interpretation of maritime law, including the consideration of uninhabited Israeli islands.

Thirdly, behind the legal facts lie interests related to the geography of the land. The new point 29 claimed by Beirut encroaches on the Karish natural gas field, operated by Israel. This means that the question of the formalization of line 29 at the United Nations is at the heart of the debate¹⁴. According to energy geopolitics expert Laury Haytayan, only an amendment to Decree 6433 adopting this new line could put pressure on Energean and the Israeli government in order to force them to stop drilling in this field¹⁵. Preserving the integrity of this field is therefore the objective for Israel. On the other hand, for Lebanon, the Israeli line 1, the Hof line and even line 23 all encroach on the Qana field.

⁹ Charbel Skaff, "[Liban-Israël : enjeux des négociations qui portent sur 1 800 km²](#)", *op. cit.*

¹⁰ *Ibid.*

¹¹ Quoted in Sybille Rizk, "[Le Liban lutte pour défendre ses frontières maritimes](#)", *op. cit.*

¹² Sébastien Rovri, "[La négociation de la frontière maritime israélo-libanaise : droit international et intérêts géopolitiques](#)", *op. cit.*

¹³ *Ibid.*

¹⁴ Hélène Sallon, "[Entre Israël et le Liban, l'enjeu de la frontière maritime](#)", *Le Monde*, June 15, 2022.

¹⁵ Marc Daou, "[Gaz offshore : la frontière maritime entre le Liban et Israël au cœur de nouvelles tensions](#)", *op. cit.*

Finally, this issue is a matter of bargaining between the various Lebanese political forces. President Michel Aoun intends to take charge, invoking Article 52 of the Constitution, which states that the President of the Republic is responsible for negotiating international agreements¹⁶. However, the President of the Parliament, Nabih Berri, wishes to be the sponsor of these talks since it is due to him that the framework agreement for the negotiations was put in place. But, in the 2020 negotiations, these two actors defended divergent visions. Berri wanted to address the demarcation of the maritime and land borders simultaneously since they are interconnected. Aoun, for his part, wanted to work on the demarcation of the maritime borders with American mediation and that of the land borders with UN mediation¹⁷. A meeting was held on June 11 at the presidential palace to prepare for the arrival of the American mediator. However, President Berri did not join Prime Minister Najib Mikati and President Aoun. This could be seen as a sign of resentment on his part, as Aoun is now in charge of the affair¹⁸. In addition, a delegation of thirteen opposition MPs met with the country's leaders to call on them to amend Decree 6433/2011 with the goal of returning Lebanon's borders to line 29¹⁹. However, Decree 6433 had been signed in April 2021 by the relevant ministers as well as the Prime Minister. The only signature missing was that of the President of the Republic, who abstained despite the internal dilemma that this matter caused²⁰. President Aoun's approach seems to be aimed at not jeopardizing the negotiations, which, should an agreement occur, would be considered an accomplishment attributed to his term of office, which ends in October 2022²¹. Others see this as a concession to obtain the lifting of American sanctions against his son-in-law, Gebran Bassil. In any case, such internal controversies weaken the Lebanese position and jeopardise the negotiations. The Lebanese leaders must decide on which line they wish to negotiate.

Negotiating in a new context

When the American mediator arrived in Beirut, Lebanon handed him the following equation: no natural gas from Karish for Israel without gas from Qana for Lebanon. While this position can be described as solid, it does not explicitly mention its commitment to line 29. This can be seen as an expression of flexibility on the part of Lebanon, which is suffering from an unprecedented economic crisis. Against all odds, President Michel Aoun, Prime Minister Najib Mikati and Speaker of Parliament Nabih Berri spoke with one voice this time, showing an apparent willingness to negotiate on the basis of line 23. While waiting for Israel's response, Lebanon signed an agreement on June 22 to import natural gas from Egypt *via* Syria in order to reduce power shortages²². The implementation of the agreement is conditional on World Bank funding and US guarantees that Beirut will not be targeted by the "Caesar law" sanctions against states trading with Syria. In a televised speech, the chairman of the Lebanese parliamentary committee for public works and transport, Sajih Attié, revealed that the two issues are related.

¹⁶ "[Malaf tarsim al houdoud al bahriya al janoubiya yarsoum itaran jadidan lil 'alaka bayna Aoun wa Berri](#)" [The demarcation of the Southern maritime borders affair defines a new framework for the relationship between Aoun and Berri], *ChamObserver*, undated.

¹⁷ *Ibid.*

¹⁸ "[Hal tajadada al khilaf bayn Aoun wa Berri](#)" [Has the discord between Aoun and Berri resurfaced?], *Loubnan24*, June 11, 2022.

¹⁹ "[Litige frontalier : les députés de la contestation en tournée chez Aoun et Berry](#)", *L'Orient-Le Jour*, June 13, 2022.

²⁰ Scarlett Haddad, "[Amendement du décret 6433 : une polémique de trop...](#)", *L'Orient-Le Jour*, April 15, 2021.

²¹ Hélène Sallon, "[Entre Israël et le Liban, l'enjeu de la frontière maritime](#)", *op. cit.*

²² "[Tawki' itifak maa Maser wa Souriya li tawrid al gaz attabi'i ila loubnan](#)" [Signature of an agreement with Egypt and Syria for the import of natural gas to Lebanon], *Al Khalij*, June 22, 2022.

The United States' green light for gas imports is conditional on Lebanon's waiving line 29²³. Attié added: "*obtaining line 23 with the Qana field is sufficient for us*"²⁴. However, line 23 presents several technical/legal flaws, including starting the demarcation offshore and not on the shoreline²⁵. Line 29 is the most technically and legally sound, and it is in full compliance with UNCLOS²⁶.

As for Hezbollah, the Shia political-military movement, it is undoubtedly an unavoidable actor in this matter. Since 2020, it has not intervened directly in the negotiations, leaving the handling of the issue to Nabih Berri, its ally from the Amal party and President of the Parliament²⁷. A verbal escalation recently took place between the "Party of God" and Israel during which the former threatened to attack the Israeli natural gas platform, while the latter threatened Lebanon with "*unprecedented bombings*"²⁸. Yet Hezbollah does not seem to oppose the Lebanese position. It "*understands the importance of hydrocarbons for the country's economy [...] it will not escalate [...]*", explains Laury Haytayan²⁹.

The retirement on October 7, 2021 of Lebanese chief negotiator, General Bassam Yassin, can also be seen as a sign of flexibility, since Yassin, who was at the origin of the Line 29 proposal during the 2020 negotiations, embodied the hardening of the Lebanese position. Israel, for its part, would have an interest in closing this issue in order to be able to intensify, without obstacles, the export of natural gas to Europe at a time when the latter is seeking to disengage itself from Russian gas. In fact, on June 15, a tripartite agreement to transport natural gas from Israel was signed by the European Union, Egypt and Israel³⁰. In this regard, Charbel Skaff, an expert on natural gas issues in the Mediterranean and the author of the book *Le gaz au Liban : souveraineté et enjeux*, notes that European states are pushing for a settlement of border disputes in the Mediterranean³¹. MP Sajih Attié explains that if the parties are unable to reach an agreement during this period of high European demand for gas and a deteriorating economic and social situation in Lebanon, the matter will take another ten years³². "*This is the right time to take advantage of the convergence of interests between all these states*", he adds³³.

Today, Lebanon finds itself in a weakened position *vis-à-vis* its enemy. In addition to benefiting from the United States' support, Tel Aviv has been able to normalise its relations with several Arab countries while Lebanon has alienated some of its Arab neighbors and has deprived itself of certain historical allies such as Saudi Arabia³⁴. Moreover, Lebanon is one of the few countries that are not part of the EastMed Forum, which aims to increase cooperation between gas producing and exporting countries in the Eastern Mediterranean³⁵. This gives an advantage to Israel and facilitates the export of its natural gas. Lastly, Lebanon is increasingly weakened by its

²³ Sajih Attié, "[siyasi yousareb taswiyat attarsim : al gaz al masri moukabel attanzol aan al khat 29](#)" [Politician discloses delimitation affair: Egyptian gas in exchange of abandoning line 29], *Al Jadeed*, June 22, 2022.

²⁴ *Ibid.*

²⁵ Sybille Rizk, "[Le Liban lutte pour défendre ses frontières maritimes](#)", *op. cit.*

²⁶ *Ibid.*

²⁷ Daniel Meier, Ines Gil, "[Entretien avec Daniel Meier - Les négociations entre Israël et le Liban pour délimiter la frontière maritime](#)", *Keys to the Middle East*, January 14, 2021.

²⁸ Héléne Sallon, "[Entre Israël et le Liban, l'enjeu de la frontière maritime](#)", *op. cit.*

²⁹ *Ibid.*

³⁰ Justine Babin, "[L'Union européenne parie sur le tandem gazier Egypte-Israël](#)", *Les Echos*, June 15, 2022.

³¹ Author's telephone interview with Mr. Charbel Skaff.

³² Sajih Attié, "[siyasi yousareb taswiyat attarsim : al gaz al masri moukabel attanzol aan al khat 29](#)", *op. cit.*

³³ *Ibid.*

³⁴ Sébastien Rovri, "[La négociation de la frontière maritime israélo-libanaise : droit international et intérêts géopolitiques](#)", *op. cit.*

³⁵ East Mediterranean Gas Forum, [Members](#), June 29, 2022.

economic and social crisis – serious devaluation of the currency, shortages of essential goods such as flour, fuel and medicines, etc. In addition, the country finds itself in the dark: public electricity is cut off at least twenty hours a day, paralyzing daily life and vital sectors³⁶.

Scenarios

Several scenarios can be outlined. It is clear that if the negotiations fail, it would be possible for Israel, whose military power exceeds that of Lebanon, to present the latter with a *fait accompli* and launch the exploration of the Karish field, which Tel Aviv considers to be in its exclusive economic zone³⁷. However, to avoid this scenario, Lebanon would only have to modify its exclusive economic zone by amending Decree 6433 and notifying the United Nations, as required by UNCLOS. This would create legal obstacles to the start of exploration as the zone would become disputed³⁸. It would therefore be in Israel's interest to return to the negotiating table.

Another unlikely but still possible scenario is that of an armed conflict between the two countries. Indeed, before the arrival of American mediator Hochstein, tensions had increased between Hezbollah and Israel. *"When the Lebanese state says that the Israelis are attacking our waters and our oil, we will be ready to do our part in terms of pressure, deterrence and the use of appropriate means, including force"*, noted Naim Kassem, deputy secretary general of Hezbollah, on June 7³⁹. On the other hand, Israel, referring to Hezbollah's facilities, threatened to *"destroy all the infrastructure and not a single stone will be left"*⁴⁰. The Lebanese Prime Minister, for his part, indicated that Israel risks *"creating tensions whose repercussions no one can foresee"*⁴¹. On July 2, the Israeli armed forces shot down three drones launched by Hezbollah in a reconnaissance mission near the disputed area⁴². However, as Mr. Skaff indicated, Lebanese officials do not want to alienate the United States, nor do they want to enter into conflict with Israel⁴³, which is why they do not want to set a deadline for negotiations⁴⁴.

However, the context appears to be favorable to these negotiations, and a scenario of success seems possible. If Lebanon and Israel were to reach agreement on a hybrid line that preserves the claims of both countries to the Qana and Karish fields respectively, a solution could be found. The US mediator's latest proposal suggested such a "hybrid" line. On the Israeli side, exploration will begin in September⁴⁵, while on the Lebanese side, the consortium led by Total has obtained an extension from the Lebanese government that gives it until May 2025 to complete the exploration⁴⁶. However, experts say that Total will proceed with exploration in block 9 fairly quickly⁴⁷. Successful negotiations would also encourage foreign companies to come forward to invest in Lebanese blocks. The second round of awards has already been postponed

³⁶ ["Le Liban dans le noir après une coupure d'électricité géante"](#), *Le Monde*, January 8, 2022.

³⁷ Michel Ghazal, ["Frontières maritimes : le Liban doit sortir au plus vite de sa position de faiblesse dans les négociations"](#), *L'Orient-Le Jour*, May 28, 2022.

³⁸ Charbel Skaff, ["Liban-Israël : enjeux des négociations qui portent sur 1 800 km²"](#), *op. cit.*

³⁹ Paul Khalifeh, ["Liban-Israël : gros enjeux gaziers, risques de guerre limités"](#), *Middle East Eye*, June 10, 2022.

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² ["Gaz : Israël dit avoir abattu 3 drones du Hezbollah libanais en Méditerranée"](#), *Le Point*, July 2, 2022.

⁴³ Author's telephone interview with Mr. Charbel Skaff.

⁴⁴ *Ibid.*

⁴⁵ Hélène Sallon, ["Entre Israël et le Liban, l'enjeu de la frontière maritime"](#), *op. cit.*

⁴⁶ Abdallah Amh, ["ja'izat akher ayam al houkouma lil faransiyin...attamdid li Total"](#) [The prize to the French in the government's final days ... an extension for Total], *Al Akhbar*, May 21, 2022.

⁴⁷ Author's telephone interview with Mr. Charbel Skaff.

several times and the requirements have been relaxed to attract investors⁴⁸. According to a recent statement from the Lebanese Petroleum Administration, the deadline for submitting applications, which was scheduled for June 2022, has been extended to December 15⁴⁹. The main explanation for the lack of appetite among foreign companies is the demarcation issue⁵⁰. Getting success on this matter would therefore be a first step to restore the foreign investors' confidence.

Conclusion

The Lebanese-Israeli maritime conflict is the result of a Lebanese error in demarcating its borders with Cyprus in 2007. Some sources also speak of an intentional choice meant to appease Israel a few months after the 2006 Israeli-Lebanese war⁵¹. Whether it be an error or a choice, Israel has been able to take advantage of this weakness. Mediations and negotiations have been underway for more than a decade, delaying the exploitation of Lebanon's natural resources. Beyond the differences on legal and geographical facts, several stumbling blocks are still waiting to be overcome. However, the international context and the strong European demand for natural gas, as well as the weak situation in which Lebanon finds itself and the flexibility it demonstrated during the last meeting with the US mediator, seem to indicate that reaching an agreement is possible. Nevertheless, the saga of Lebanon's maritime borders will probably not end with this episode. In the north, the Syrian-Lebanese borders are also not fixed. The Syrian block 1 encroaches on an area of 750 km² of the Lebanese exclusive economic zone⁵². In March 2021, the Syrian government signed a contract to explore this block with the Russian company Capital Limited Company⁵³. Russia is thus involving itself in this affair. Lebanon risks being held hostage in the crisis in relations between Russia and Western countries, which may add another layer of complexity to the already delicate Syrian-Lebanese relations.

⁴⁸ Shaya Laughlin and Connor Kanso, "[Ignore the mirage: oil and gas will not save Lebanon](#)", *Triangle*, June 16, 2022.

⁴⁹ Lebanese Petroleum Administration, [Announcements](#), June 15, 2022.

⁵⁰ Author's telephone interview with Mr. Charbel Skaff.

⁵¹ David Amsellem, "[Les problématiques des réserves gazières au large d'Israël, de Gaza, de l'Égypte, du Liban et de Chypre](#)", *op. cit.*

⁵² Yara Dally, "[Une vue panoramique du conflit sur les frontières maritimes – Entre le Liban et la Syrie: Question abordée à travers différentes perspectives analytiques](#)", *The Phoenix Daily*, May 29, 2021.

⁵³ *Ibid.*

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