

**Lebanon's Maritime Boundaries: Between Economic
Opportunities and Military Confrontation**

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On 10 July 2011, Israel officially adopted a delineation for its own Exclusive Economic Zone (EEZ) that created a significant difference and an overlapping zone with Lebanon's EEZ coordinates sent to the UN one year earlier in July and October 2010. The maritime border dispute that came to light that day between Lebanon and Israel concerns an area of 850 square/km on the southern section of Lebanon's Exclusive Economic Zone. The main reason why it appeared is related to the discovery of important hydrocarbon resources in the eastern Mediterranean basin, requiring a clear delineation of an EEZ in order to start the exploration and exploitation of such resources. Like in the case of the Shebaa Farms on the eastern part of the Lebanon–Israel border, the issue popped up the moment a significant effort was made in order to define the space under Lebanese sovereignty. Although this raised a political issue, the matter of concern is obviously linked with legal and economic aspects of the dispute in this maritime boundary.

This paper intends to explore the several layers of this issue starting with legal aspects of the delineation of maritime boundaries, regarding international law and asking why and under which circumstances a difference appeared between Lebanon and Israel. Analyzing Israeli behaviours and the general game of other States in the Levant Basin (Cyprus, Turkey), this will shed a light on the political dimension of the problem. All these international actors have in mind an important issue: economics. This will then be the second lens of analysis. The expectation of hydrocarbon (mainly gas) discovery seems to mark a turning point in the political will to set up laws, ministerial committees, and statements regarding new perspective and hope for the country in such a bad economic situation. This perspective will show a broader picture of the Mediterranean basin where other actors are also playing the “gas card” raising the question of the future perspectives and reasonable expectations for Lebanon.

1. Legal Aspects in Bordering the Sea: The Case of Lebanon's EEZ

According to international regulations and to the Law of the Sea (UNCLOS) of 1982,¹ the delimitation of an Exclusive Economic Zone (EEZ) required an express proclamation and clearly expressed intention the State's domestic laws. It gives the possibility of exploitation of the natural resources of the overlying waters—fishery resources—as well as underwater exploring, exploiting, conserving, and managing the natural resources in the seabed and subsoil.² Proclaiming an EEZ is now part of customary law, as made by international lawyers,³ and therefore opposable even to States not party to UNCLOS like Israel. So, in case of overlapping claims, UNCLOS Articles 74 and 83 mentioned the need to find an agreement on the basis of international law “in order to achieve an equitable solution.” In the eastern part of the Mediterranean, several previous agreements among states have used the equidistance line as a basic reference.⁴ And in absence of any agreement, a median line has to be drawn as an equidistance line from the baselines. This rule leaves the door open to negotiation but also has a customary value in the international jurisprudence (Rambaud, 2011). In this spirit, Article 59 of UNCLOS mentioned the interests of parties in conflict in

¹ Acceded by Lebanon by virtue of Law No 295 (22 February 1994).

² As mentioned in Article 7 of the Lebanese Law No.163 on the Delineation and Declaration of the Maritime Zones (17 August 2011).

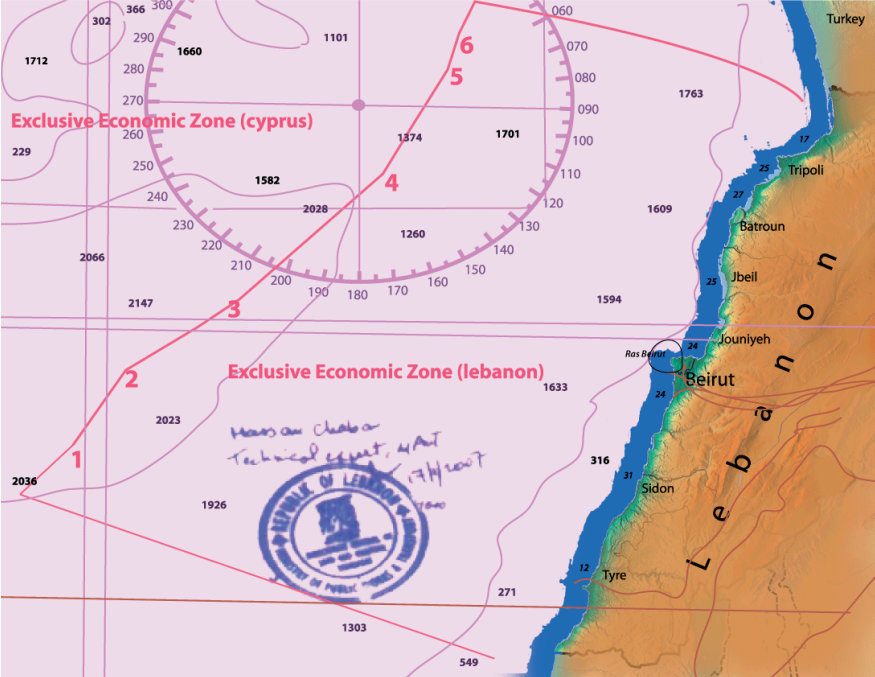
³ See: ASDEAM, *The Legal Framework of Lebanon's Maritime Boundaries: The Exclusive Economic Zone and Offshore Hydrocarbon Resources*, Geneva, November 2012.

⁴ Like in the case of Cyprus delimitation with Egypt (2003), Lebanon (2007), and Israel (2010)

light of the relevant circumstances and the international community’s interests too.⁵ Finally, as the Mediterranean Sea can be defined as a semi–enclosed one, in the sense of Part IX of UNCLOS, States of this area have a general obligation to cooperate when facing a disagreement.

In the case of Lebanon, the delimitation of its EEZ took place in several steps but probably the first one was the most decisive. Following the new interests raised by the US geological survey that estimated hydrocarbon resources in the Levant at the level of 1.7 billion barrels of oil and 122 trillion cubic feet of gas, Lebanon decided to sign a first delimitation of its EEZ with Cyprus in defining 6 equidistant points along a West line from South to North (see map 1).

Map 1: The Lebanese–Cyprus Agreement (2007)



The Lebanese Parliament did not ratify this agreement, however, but another delineation of its own EEZ was adopted by the Council of Ministers (Decision No 51) on 21 May 2009. Contrary to the 2007 agreement, the 2009 delineation that will be confirmed with a list of geographical coordinates sent to the UN Secretary General in July and October 2010, adding to the six points of 2007 north and south limits of the EEZ, providing new coordinates for triple–point border in the north (with Cyprus and Syria) and in the South (with Cyprus and Lebanon). These two numbers added, point 7 (north) and 23 (south) are respectively the northwest and southwest limits of the Lebanese EEZ. This second delimitation refers to a map of the British Admiral, also recognized by Israel, and the northern and southern sections were delineate in drawing median lines equidistant from the baselines, as recommended by the Law of the Sea.

To explain why Lebanon did not define the full line of points of the West line (including point 7 and 23) in 2007, specialists in international law explained that “it is a frequent practice in bilateral delimitation agreements to stop before reaching the triple point

⁵ One can notice that the International Court of Justice does not recognize oil concessions and wells in themselves as relevant circumstances in several of its decisions. See: ASDEAM (2012: 15).

since this would require the participation of the third state concerned,” in this case, Israel (for the southwest point) and Syria (for the northwest point). As Lebanon is not recognizing the State of Israel, it is obvious that it would not enter into a discussion about a maritime boundary, and so chose to set it up the moment its interest in hydrocarbon became clearer, but also because of a smoother political environment. After the Doha Agreement and by the beginning of 2009, the government’s formation after a political crisis for two years and a vacuum of power for six months.

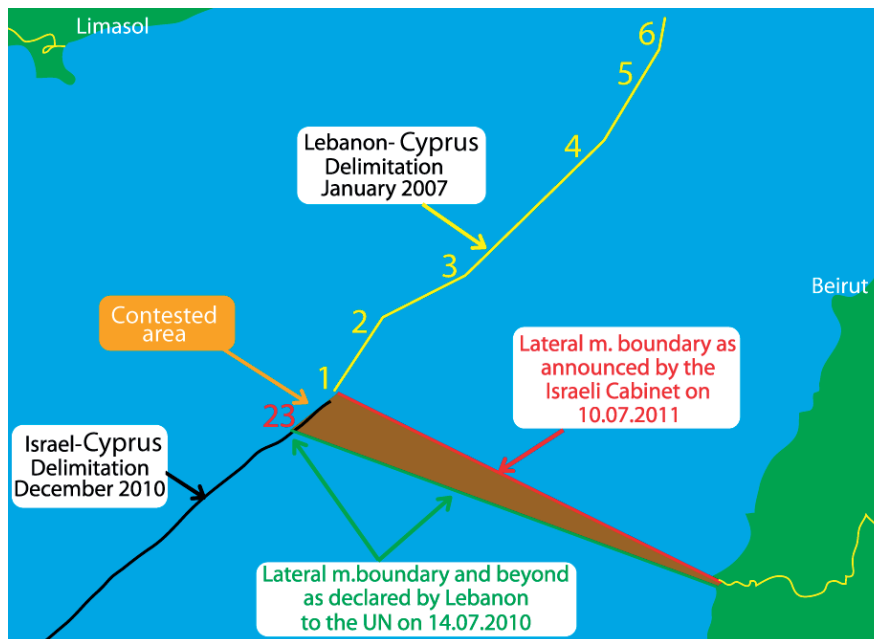
The reason why the Lebanese Parliament did not ratify the 2007 delimitation could be a possible mistake of the Lebanese negotiators that did not specify the value of point 1. But this seems contradictory to the clear intention expressed by Lebanon in the Cyprus–Lebanon agreement (Article 1), stating that future delimitation could be revised in accordance through specific agreement with concerned states. More likely, the lack of ratification of the 2007 delineation was probably due to political pressure coming from Turkey, unhappy of any agreement done by Cyprus (also with Egypt and Israel) that neglected the interests of the Northern part of Cyprus. Moreover, Lebanon was in a negotiation process with Turkey on a free trade agreement that was signed at the end of November 2010.

In order to comply with the spirit of the Montego Bay convention (Law of the Sea), the Lebanese President, Michel Suleiman, promulgated during the summer 2010, a “law of petroleum resources in the maritime waters” (No. 132) that was adopted by the Parliament. Although this law mentioned the EEZ and regulated the exploitation of petroleum resources, it did not provide the legal basis for it as it did not properly identify the area to be exploited.⁶ To rectify it, the Lebanese Parliament adopted on 25 August 2011 “The Delineation and the Declaration of the Maritime Zone of the Republic of Lebanon” known as the Law 163, and on 1 October 2011 the decree No. 6433 named “The Delineation of the Boundaries of the EEZ,” which was then notified to the UN on 16 November 2011.

There is a significant reason for the renewal of legal activities: the agreement between Cyprus and Israel on 17 December 2010. The 12 points (from north to south) of the delimitation unfortunately ignored the margin left in the Cyprus/Lebanon Agreement of 2007 and took the point 1 as the terminal point of the northern limit of the Israeli EEZ. Its coordinates (33-38’-40’’ Lat & 33-53’-40’’ Long) are surprisingly exactly the same as the ones of point 1 defined by the Cyprus/Lebanon agreement. In fact, this location falls short of the triple points between Lebanon, Cyprus, and Israel, and overlaps with Lebanon’s declared EEZ (see map 2). In extending 17 kms North of Lebanon’s claim, the Cyprus/Israel agreement overlaps a surface of 850 sq/kms with Lebanon’s rights over the maritime area.

Map 2: the contested area south-west of Lebanon’s EEZ

⁶ See: ASDEAM Report, *op.cit.*, p. 9



In July 2011, the Israeli cabinet approved a map of its maritime boundaries based on this Cyprus/Israel agreement before sending it to the UN and ignoring Lebanon’s protest. Explaining their choice, Israel’s Prime Minister Benjamin Netanyahu justified the Israeli decision thanks to a supposed “contradiction” made by Lebanon between the 2007 agreement and the 2009 EEZ delineation (adding point 23), and stating, as if it was a fatality: “We have no choice but to set the borders ourselves.”⁷ One of the Israeli calculations was to render Lebanon accountable of its 2007 decision. But of course, as this delimitation was not ratified by the Lebanese Parliament, it is simple not possible to ask Lebanon to abide by that delimitation. Moreover, their behaviour reveal a blatant violation of public delimitations (the ones of 2009) at disposal at United Nations office in 2010 within the two letters send by the permanent mission of Lebanon at UN in New York.⁸

For its part, Lebanon sent an official protest to the UN Secretary–General in two separate letters in June and September 2011. They both underlined the fact that the Cyprus/Israel agreement is incompatible with the geographical points that Lebanon had deposited with the United Nations, and that such attitude could imperil international peace and security. Lebanon also defined Israeli land border point 31 as “an assault on Lebanese sovereignty” as it is north of the B1 UN acknowledge point (i.e., first land point of the Blue Line) that referred to the 1923 Paulet–Newcombe agreement later acknowledged by the 1949 Armistice Line⁹ and at the basement of the UN Blue Line delineation in 2000.

The potential major conflict of the unilateral Israeli EEZ delineation over a previous well–defined Lebanon’s EEZ area of sovereignty is one of the typical unilateral measures that are not the result of chance or Lebanon’s mistakes, as Israeli officials seemed to claim. Several analysts and lawyers have already underlined that this attitude is related to the main

⁷ *Jerusalem Post*, 10.07.2011, cited in ASDEAM report, *op.cit.*, p.19.

⁸ See references of these points on:

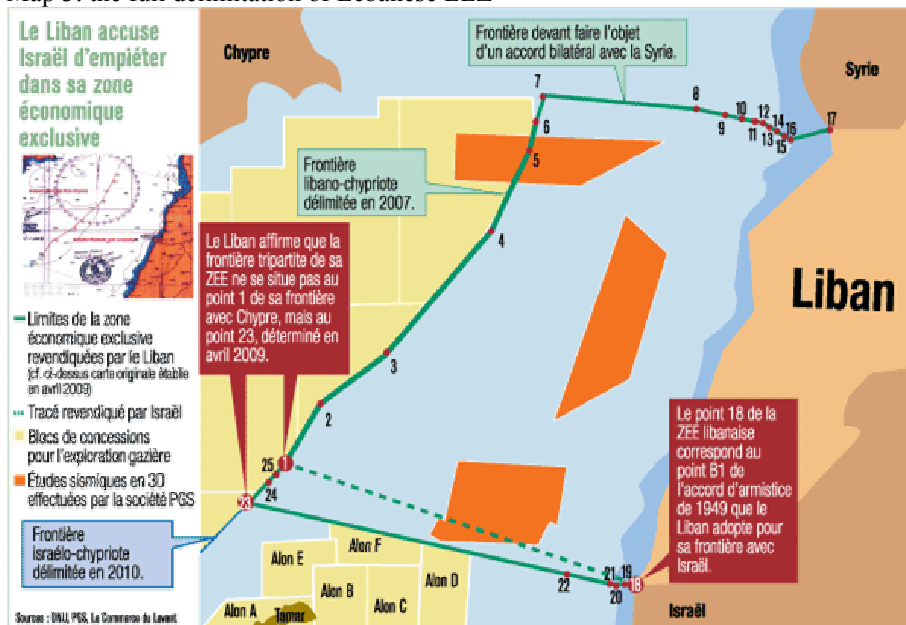
http://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/DEPOSIT/lbn_mzn79_2010.pdf and

http://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/DEPOSIT/lbn_mzn79add1_2010.pdf.

⁹ This B1/BP1 point is one of the 13 contested points on the Blue Line. See: Meier (2013).

financial gain thanks to potential gas resources that exists in this contested maritime space. Other evidence of this strategy exists not to mention other similar strategies in the Occupied Territory about oil resources.¹⁰ So, one can conclude that the Israeli strategy regarding the maritime border with Lebanon is political and does not rely on strong juridical or geographical evidence. Two elements tend to illustrate these political dimensions. First, observers noted Israel removed their buoys floating along this new delineation at the beginning of 2011, just after the Cyprus/Israel agreement signing whereas the same buoys were floating more southern prior to this date without causing any trouble or Israeli claims.¹¹ Second, one can clearly notice (map 3) that Israeli designed its northern blocks for exploration as following the southern Lebanese EEZ delineation elaborate in 2009 and sent to the UN in 2010 instead of following their territorial claim further northward.

Map 3: the full delimitation of Lebanese EEZ



In the meantime, through its agreement with Cyprus, Israel acknowledged a binding by virtue of customary international law as it refers in its preamble to the UNCLOS provisions. And one of the outcomes of this recognition is to abide to the maritime delimitation system based on an equidistance line that should be drawn to delineate its EEZ. Article 1 of the Cyprus/Israel agreement also left the door open to a peaceful resolution of a potential conflict regarding the 12 points that it mentioned. This obviously cannot be applied to Lebanon, as it is not recognizing Israel. Another dimension of the Israeli strategy toward Lebanon is revealed in this Article 1 when Israel insists that maritime territories could only take place on the basis of agreement on land boundaries. And at some point, as the whole story of the southern borderland occupation illustrated, this could be the very reason of Israeli occupation strategy: to force Lebanon to enter in a negotiation, and in so doing, establish a *de facto* recognition of its political existence as a State. Fuelling this hypothesis, the fact that regarding international law, “it is not permissible for a party to a dispute to undertake any unilateral activity that might affect the other party’s rights in a permanent manner.”¹² If this will blocked any further exploration in the 850 sq/kms contested area for both Israel and

¹⁰ See, for instance, *Al-Monitor* papers, 24.02.2013 and 28.02.2013

¹¹ Interview with UNIFIL’s political officer, Naqoura, September 2012.

¹² See: ASDEAM Report citing the Arbitral Award of 17 September 2007, *op.cit.*, p. 20.

Lebanon, one has to notice that contrary to Lebanon, Israel already launched a successful exploitation of several blocks in its EEZ. Lebanon is more in a demand position for beginning exploration, as we will see in the next part, and will be keen to avoid any delay regarding its urgent need of resources to support its economy.

In order to avoid any unpleasant surprises from Cyprus, Article 3 of the Cyprus/Israel agreement mentions that the parties are bound to consult with each other before any final agreement with another State on delimitation of their EEZ. This will likely stop any pull back from Cyprus as Lebanon's already tried to discuss a revision of the 2007 agreement.¹³ One question remains: why did Cyprus sign such an agreement that is contradictory with the previous EEZ claim stated by Lebanon? At least, one can wonder why Cyprus did not consult Lebanon during its negotiations with Israel? One of the answers could be related to the defence and joint resources exploitation Cyprus agreed with Israel, notably regarding the LNG and the building of such a Liquid Gas Plant on its territory including a security cooperation that Israel would guarantee.

If security emerges as a significant concern in the current issue of that maritime border, securitization of energy seems to appear as the main concern for all the States of the area under the label of "energy security complex"¹⁴. This theoretical tool intends to highlight an interaction between two or more States in a limited geographical area that includes an energy dependency relationship. The interest of this model is to render visible the current shift in energy power resources of Israel first – who gained energy autonomy from Egypt, its former gas supplier – and Cyprus. It also shows the current process where Lebanon is involved that will probably go through several stages following the development of its autonomy in the sector of energy and so could change its relationship with its neighbours.

2. Gas Resources: New Hopes in a Tough Environment

In March 2010, an estimate of the US Geological Survey evaluated the unexplored potential reserves in the Levant Basin to 1.7 billion barrels of recoverable oil and 122 trillion cubic feet—or 3450 billion cubic meters—of gas. 2D and 3D seismic survey made by Spectrum, a UK-based Norwegian Company together with Petroleum Geo-Services (PGS) revealed that Lebanon's offshore potential is greater than the other countries in the area. They estimated that the Lebanese waters they surveyed (3000 sq/km) contained around 25 trillion cubic feet of gas. This is massive knowing the total Lebanese offshore area covers 22,730 sq/km. On 6 September 2012, the CEO of Spectrum said Lebanon's offshore gas could be larger than Cyprus and Syrian ones.¹⁵ These statements were made based on *Dolphin Geophysical*, his partner who sent a vessel "Polar Duke" to survey the Lebanese coast. In the meantime, 26 companies announced their interest in exploring Lebanon's gas and oil resources along the EEZ in purchasing the data (GeoPackages) from the Ministry of Energy and Water that provides basic geographic and geological information, and waiting for the first licensing round.

¹³ This happened on 18 August 2011 in the context of Cyprus' allocations of rights for exploration and exploitation of blocks adjacent to the border with Lebanon.

¹⁴ Following an intuition of two researchers, Palonkorpi and Tutkimussuunnitelma of Southern Denmark and Helsinki University.

¹⁵ *Daily Star*, 7 September 2012.

This sudden interest for hydrocarbon resources raised several questions about the regulatory framework and high expectations for public financial profits. A first remark should set-up the regional picture of the question. One has to note that Lebanon has a lot to do to reach the level of development of its local neighbours as Syria, Cyprus, and Israel are all at different stages of exploiting their gas and oil resources. In the meantime, Lebanon seems to have several assets to play with on the international stage as a recent international evaluation ranks the Lebanese Republic in 2012 at 6 out of 12 in the Middle East, and 71 out of 147 in the world for its attractiveness in terms of tax rates, costs, regulations, trade barriers, and security threats. The international context of gas market has significantly changed since 2008 due to a triple move.¹⁶

First the significant input and investments made primarily in the Gulf (Qatar) to promote Liquid Natural Gas. This results in a faster and wider market for producers in using maritime circumnavigation to export gas. This market was reaching 30% of the gas market in 2011. New producers are appearing on the market like Australia with massive investments in LNG. In the eastern Mediterranean Sea, Israel and Cyprus have found a cooperation model, as an LNG plant will be built on Cyprus soil to export gas by boat to reach international markets. In a recent public presentation, Cyprus advocates for synergies among eastern Mediterranean countries including Lebanon to “turn the region into an area of sustainable and balanced economic development.”¹⁷

Second, non-conventional gas resources like gas from the shale rocks has been at stake facing a larger public demand like in Europe and in the US. Thanks to new drilling methods (fracking, horizontal drilling), the international gas market exploded as the US became self-sufficient and started to export gas. The result of this new orientation in non-conventional gas exploitation shows a shift in leading gas producers in the world from a Russia/Iran/Qatar domination to a US/China/Russia/Australia domination in the horizon years, as noted by Marwan Iskandar (2012), who also outlined the subsequent fall of the cubic feet’s price of gas from \$13.5 to \$2 in four years (2008–2012). For Lebanon and its neighbours, this reorientation of the international market with a larger offer and a lower price per cubic/feet also means a tougher exportation environment for making profit as the time for amortization of any investment could be longer.

The third step of this revolution in energy would be the recent discovery of massive gas resources in deep water. Eastern Africa and the eastern Mediterranean seabed seem to contain the biggest gas well found in decades. Nevertheless, such a bright picture is filled with gloom the moment actors realized the investments deep water gas required. Infrastructures are pricy, and if a strong demand for gas is almost certain in the future, the level prices are less attractive as more actors want to export gas. A second weak point is linked: exploration and drilling that costs much investment can sometimes reveal a very disappointing result regarding the estimation made. A third issue arise when it comes to drill in deep water: the environmental costs can be heavy, as underline by the World Wildlife Foundation after a major incident in Scotland in 2010 as it can endangered the fragile maritime ecosystem so underlying the needs for a careful regulation.

¹⁶ See: the Special Issue on that energy sector in *Le Commerce du Levant*, No 5635, December 2012.

¹⁷ Cf. Presentation of Solon Kassinis from the Ministry of Commerce, Industry, and Tourism of the Republic of Cyprus, at the International Oil & Gas Summit, Beirut, 3 December 2012.

At a governmental level, Lebanon reacted quickly by setting up the law 132 labelled as “Law of Petroleum Resources in the Maritime Waters” that was promulgated by President Suleiman, and adopted by Parliament 24 August 2010. This initial law “contains provisions on health and safety whereby contractors must ensure that all necessary measures are taken to prevent and reduce harm to persons, property, and environment” (Asdeam, 2012: 27) due to deep sea exploration risks (like a spill that could harm natural environment). The role of the Ministry of Energy and Water became then more intense under the lead of Gibran Bassil in renewing the contracts with both Spectrum and PGS¹⁸ to enables petroleum companies to efficiently review hydrocarbon prospectivity ahead of the first licensing round offshore Lebanon thanks to a unique dataset.

Another step was undertaken when a six-member Petroleum Administration was established in November 2012. Its role would be to oversee the bidding and licensing process. The nomination of this staff seemed to have gone through the sectarian balanced system as to represent the interests of the main sects as the first communication send after their nomination was about the sectarian affiliation of each of them. This commission can take decision regarding operational decisions (preparing technical and commercial files, making recommendations in case of a political decision). The minister himself and the Council of Ministers keep the power to take larger decisions and orientations in the name of the State of Lebanon. This means taking position in four fields of action: the bidding process, the attribution of licenses, agreeing on commercial plans proposed by company owning a license, and extending the duration of license for exploitation.

The new administration would first have to make recommendations on blocks delineation before the process. This has to do with geological questions, economical and operational aspects in order to offer homogeneous blocks for exploitation. Suffice to think about the depth of drilling that required a bigger investments if it is deeper than 500m, the potential resources that exists in blocks or the geological components of the seabed.

In the public auction process, Lebanon could follow the Cyprus strategy that tends to value the resources at disposal in attributing one block. The drilling should reveal the richness of gas resources and then secondly add more value to the other blocks that could then be on bid. So, a priority for Lebanon could be to prove the reality of these resources in gas in setting-up a good exploration programme. On February 15, Lebanon initiated its first offshore licensing round during which companies can submit their prequalified package. After a short-listing process, the Lebanese government in April, the bidding process will start for first exploration agreement to be sign in February 2014. If in theory, Lebanon has opted for a relatively transparent process for allocating its offshore blocks through a competitive bidding process that could encourages financially strong and technically competent companies to offer the best terms to obtain exploration and production rights, few issues are at stake putting a risk on that process. First, the prospectivity that should establish proven commercial resources, as geological uncertainty could act against large bids. Economic conditions and fiscal terms with political risks could also dampen investors’ enthusiasm. In a clear warning to the Lebanese government, Carole Nakhleh, an energy economist at Surrey Energy Economics Centre (UK):stated that “weak administrative capacity and unfamiliarity with the bidding process among domestic stakeholders need to be addressed” adding that “strong governance, an anti-corruption framework non-discriminatory treatment of bidders

¹⁸ See: *International Law Office*, 9 July 2012 (online newsletter).

(especially during the solicitation and evaluation process) are the most important ingredients.”¹⁹

Lawyers and economists underline the major importance of a proper regulatory framework for exploration and exploitation of hydrocarbon resources “which balances the interests of the oil companies and that of the State and ensures that such activities will not harm other sectors of the economy or create environmental harm” (Asdeam, 2012: 26). In this perspective, Lebanese Law 132 of 2010 contains some indications and safety measures that contractors have to take not to harm persons, environment, or property. In the meantime, this Law is not precise enough on gas resources aspects as the law was designed for oil. Among the differences, economics between oil and gas can vary greatly and investment on an offshore deep–water gas field is typically more capital intensive and expensive than that for oil and “its development can take longer as investors need to ensure long–term market access for their gas before committing to expensive infrastructure.”²⁰ This put the stress on the need for Lebanon on an internationally competitive fiscal regime that can enhance investors’ appetite. In any case, as specialists in international law recommended it, vigilance should be the core reflex for Lebanese government when it comes to draw agreements with oil and gas companies, requiring to work with a law–firm with significant experience in the field of offshore oil and gas projects (Asdeam, 2012: 27).

Another debate exists on the use of such resources as for national consumption or international exportation. Issues related to these two options affect the orientation of the business that companies are planning. Talking about the national use of gas resources, the question seems to be whether such resources would “help to reduce the national debt” (Wahlisch, 2011), or on the contrary would worsen the present situation?²¹ Specialists in economics or energy industries raised several aspects of the problem. First, they make a distinction between resources in place, “technically recoverable” and “commercially recoverable,” warning that the latter category regularly shows a smaller quantity of gas resources available. Second, the exploration and appraisal phases can last a very long time (years or even decades) to put gas in production. Third, the expected results should face reality once again when it comes to be compared with other regional experiences as underlines by Carole “it is rare for an exploration well to have a chance of discovery in excess of 45%, on average” adding “the odds of making a commercial discovery are even lower, particularly at deep–water locations”²² to remind the necessity to drill a hole to be able to prove the reality of oil or gas resources. A fourth issue that could be the most problematic one is labelled as “the paradox of plenty.” This intends to underline, as it is well documented in many oil and gas rich countries of countries from the South that do not have strong State and democratic rules. The problem of hydrocarbon resources lies on the management of its revenues that creates slower economic growth than resource poor countries because of stewardship in making the most of their natural resources.²³

The recent Gas and Oil Summit²⁴ brought together several aspects of this issue – as representative of major oil companies as well as specialists, lawyers and scientists entered in a fruitful dialogue. As 10 blocks were just delimited to be put up to tender, it appeared that

¹⁹ *Daily Star*, 4 March 2013.

²⁰ *Daily Star*, 11 February 2013.

²¹ Ahmad Beydoun, interview, Beirut, December 2012.

²² In *Daily Star*, 11 February 2012.

²³ *Ibid.*

²⁴ Held at the Four Seasons Hotel 22-23 April 2013.

block 8 and 9 cross into parts of the 874 sq/km disputed area. In case they will be put up for auction, the debate turned to the main security question: would companies take the risk to drill in such contested spaces even if “tempting conditions” will be provide for such blocks, according to MP Mohammad Kabbani chairman of the Lebanese Parliamentary Committee on Oil and Gas²⁵. The balanced between investments and risks is of course at stakes for Oil companies but their commercial consultants didn’t seem to be worried about this in priority contrary to terms and conditions that Lebanon could propose. And the failure of the Egyptian offshore round last April – due to a heavy fiscal regime – is acting for Lebanon as a warning for the current bidding process²⁶. According to other analysts, the question now is no more if there will be companies bidding for blocks in the disputed area but which companies will be able to do it. According to Sohbet Karbuz, director of Hydrocarbons at the Mediterranean Observatory for Energy, the Lebanese government would prefer to choose companies backed by big international actors by November 2013, when the process will end. Two main reasons could lead this choice: first the fact that such companies would legitimize the right of Lebanon over the disputed zone and second they will have the weight to bring the debate over the maritime border issue on another angle that will add incentives for a peaceful resolution.

Conclusion

From the point-of-view of the international law, there is no legal basement to the Israeli claim. The latter appeared as a political manoeuvre to compel Lebanese government to engage in bilateral talk and so recognize Israel as a legitimate player. Both parties in conflicts here have no obligation to launch a legal procedure as they are not bound by any type of compulsory jurisdiction. Both have not subscribed to the clause recognizing the unilateral jurisdiction of the International Court of Justice and so are not bound by the Montego Bay Convention rules of the settlement of a dispute. The only obligation Israel could have is to recognize Lebanon’s EEZ proclamation as part of customary law, to seek for peaceful solution to its reservation toward Lebanon’s claim. At the international level, the current changing face of energy resources in the Levant Basin is also changing the local “energy security complex” and could lead either to more tensions (perception of the other as a threat) but maybe later to a more cooperative environment as it could generate more profits.

From the energy perspective, the off-shore hydrocarbon potential resources seem far from generate profits in the short term as the process of exploitation is far ahead and still need to rely on effective amount of resources, still unknown as long as gas wells have not been drilled. The gas resources seem to have been used for now as another stumbling block among enemies as statements of both Hizbullah²⁷ and Israel²⁸ illustrated it. Moreover, the perspective of significant resources could start to work as an excuse not to act in the file of other energy issue, like the building of an electricity plant and finding solution to improve citizens’ everyday life.

Among solution envisioned to settle the dispute, the UN seems to be the key institution to intervene with skills and legitimacy to help States to solve the maritime border issue. Although the UN general secretary is not entitled to take any position on maritime borders delimitation, its local UNIFIL special coordinator, Lord Michael Williams tried to

²⁵ See: *Interfaxenergy.com*, 26 April 2013

²⁶ See: *Upstream*, Vol.18, 19 April 2013.

²⁷ See: *Huffington Post*, 26 July 2011.

²⁸ See: *Jerusalem Post*, 27 June 2010.

propose its mediation in this dispute in 2011. Even if the General Secretary did not follow him and disagree to continue to draw the Blue Line in the sea, UNIFIL provided a map that defines a maritime security zone between the two countries in July 2011 (thanks to its local spokesperson Milos Strugar).²⁹ The UN hesitation can be explained thanks to political reasons as its peace operations are set-up not to prevent but to stop the fighting. Another reason could be the US intervention towards the Lebanese government in 2012 proposing to give 2/3 of the contested space to Lebanon and maintaining the last third of this 874 sq/km under the UN supervision. The Lebanese government clearly refused stating that this territory is entirely Lebanese.³⁰

For now, the bidding process that just started with 46 prequalified companies taking part will be either used as an opportunity to negotiate an agreement with Israel or to entrench positions at the risk of hindering promising resources and incomes.

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Decree No. 6433 dated 1 October 2011 on the Delineation of the boundaries of the exclusive economic zone of Lebanon.

Notified to the United Nations on 16 November 2011:

²⁹ See: *Global Energy Review*, 3 December 2012.

³⁰ See : *Le Commerce du Levant*, No 5635, December 2012.

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