
ENERGY BRIEF

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CYPRUS TO PRESS AHEAD WITH OFFSHORE EXPLORATION DESPITE TURKEY'S COMPLAINT

The government of the eastern Mediterranean island of Cyprus has said it will press ahead with plans to drill for natural gas in its offshore exclusive economic zone (EEZ) despite a recent threat by Turkey of an “appropriate reaction.”

Nicosia announced earlier this month that Noble Energy of the US could begin drilling in Block 12 as early as 1 October. The Houston-based firm will be drilling in a structure that Cypriot energy officials have estimated could hold up to 10 trillion cubic feet of natural gas. The structure lies some 40 kilometers to the west of Israel's 16 tcf Leviathan gas field, which Noble discovered in December last year. Drilling will take about two months to complete using a rig that is already in Israeli waters.

Nicosia's announcement of the impending start to drilling prompted Turkey's Foreign Ministry to issue a statement saying that Cyprus's offshore exploration activity was illegal and that it would “show the appropriate reaction if any further step is taken.” Ankara does not recognize the Greek-Cypriot government, which is a member of the European Union. Turkey recognizes only the Turkish-Cypriot Turkish Republic of Northern Cyprus (TRNC) and has maintained a military presence on the island since 1974, when its forces invaded in the wake of a coup led by pro-Greek extremists. Ankara's argument is that offshore exploration work in the waters off the southern coast of the island does not take into consideration the rights of the Turkish-Cypriot community.

Cypriot Foreign Minister Erato Kozakou-Marcoullis responded to the statement from Ankara by saying that Nicosia would launch an international campaign to expose the aggressive foreign policy that Turkey shows towards the island. She stated that Cyprus would make strong representations to international organizations, including the European Union and the United Nations, according to the *Cyprus Mail*. She said that Cyprus's actions are “in full compliance with international law.”

Cyprus has signed maritime delimitation agreements with Israel, Egypt and Lebanon, although the accord with Lebanon has yet to be ratified by the Lebanese government. The Cyprus EEZ covers an area of 51,000 square kilometers, but only one block has been awarded: Block 12 to Noble Energy following the island first bidding round in 2007. A discovery in Block 12 is expected to lead the government to launch its second licensing round in 2012.