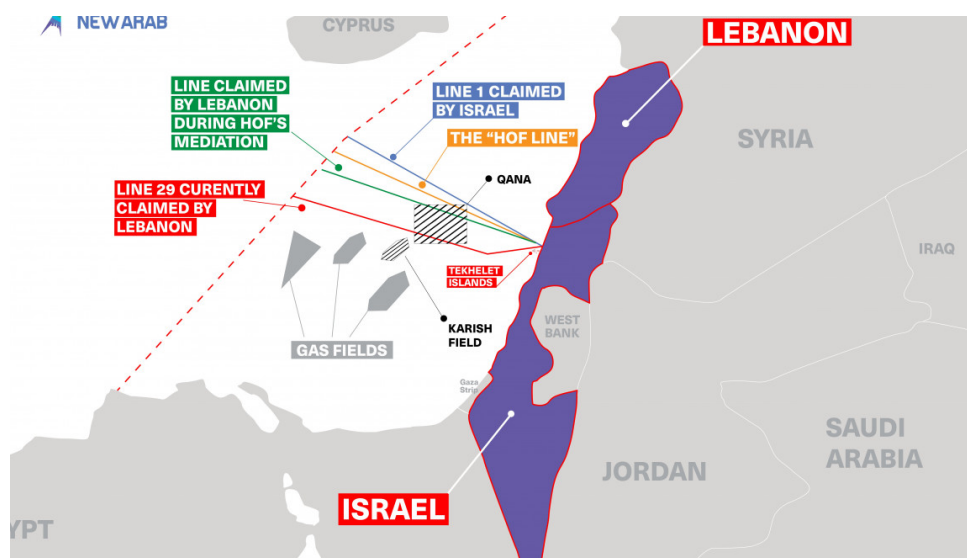


Another geopolitical flashpoint emerges in the Eastern Mediterranean gas hub, this time between Israel and Lebanon.

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In recent days in the always contested and geopolitically complex natural gas hub in the Eastern Mediterranean emerged another rift over a disputed area for gas production in what it seems a trend in the area and this time it involves Lebanon and Israel in their dispute over what looks a promising gas field called Karish, where allegedly the UK energy company ENERGEAN arrived with a drilling rig to start operations escorted by Israeli armed forces, which prompted a fierce reaction by the Lebanese government as the country is in dire need for energy amid a deep and long power and gasoline crisis while Israel, which since long has been positioning as a major gas player in the region, at the same time wants to advance its weight and position in this strategic natural gas region.

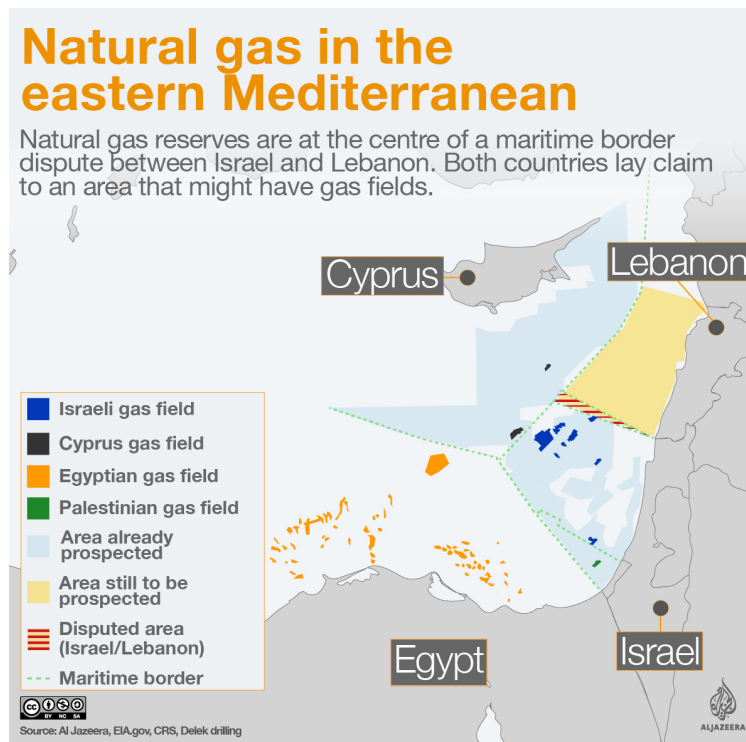


Map of the location of the Karish Field, center of the dispute between Israel and Lebanon in the Eastern Mediterranean

Regarding the location of the Karish field and its strategic importance, its worth pointing out that the natural gas in the Karish North field was discovered by Energean in April 2019, while the consent for the field development plan was received from the Israeli authorities in August 2020 with the final investment decision (FID) on the field de-

velopment reached in January 2021, containing around 1.5 TCF (trillions of cubic feet) of gas and 240 millions of oil in reserves with a Capex projected for the development of the Karish Field of \$ 1.7 billions, expected to produce around 3 billions of cubic meters per year located in the called Block I/17 off the coast of Israel in the Eastern Mediterranean, highlighting the relevance not just for Israel but for the energy and financially strapped Lebanon.

In this sense, geologically speaking Lebanon and Israel are part of the geological Levant Basin where different gas fields have been discovered mainly by Israel and already put into production such as the most prominent Tamar field meanwhile Lebanon due to the longstanding political paralysis and economic and financial crisis has been unable to move forward with any effective production plan despite some few attempts and bidding rounds by companies like ENI, TOTAL in 2020 although nothing relevant came out of that while the disputes over maritime delimitations and economic exclusive zones in the Eastern Mediterranean continues between both countries and where the US participation has been requested to try to mediate between both parties in litigation and find a solution to this.



**Map of the maritime disputed between Israel and Lebanon in Eastern Mediterranean**

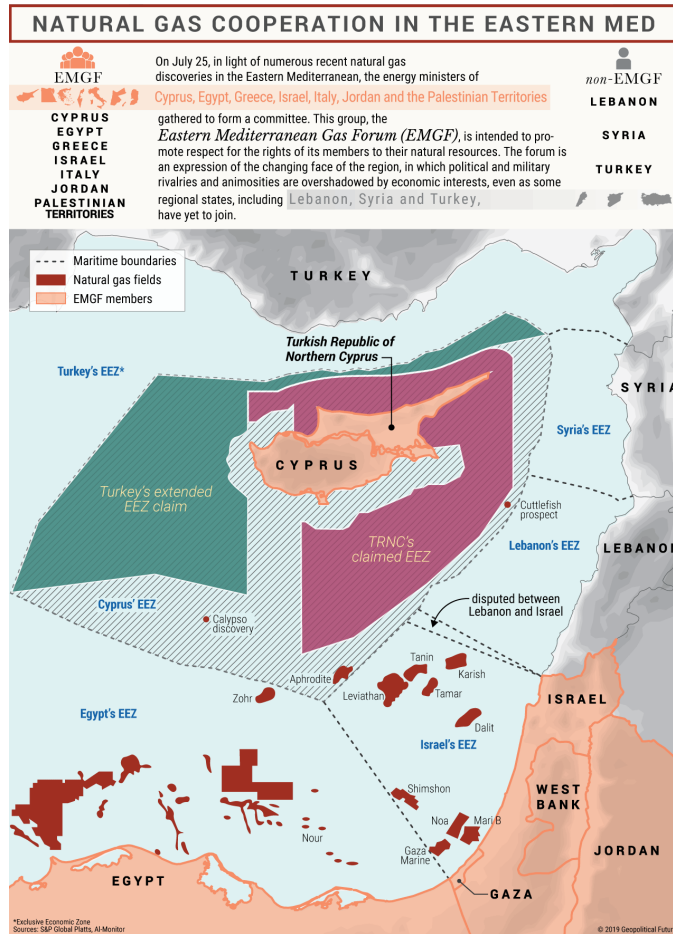
At the same time, it's important to note that this happens right after the recent parliamentary elections in Lebanon where there was an important achievement for the independent and opposition parties facing the traditional dominance of the Shiite party Hezbollah with the energy crisis having a top spot in their agenda while Israel for its part has been in discussions with the EU recently to try ramp up its exports of natural gas via pipeline to Egypt and then send it liquefied LNG to Europe as the EU continues to seek alternative sources for its gas imports in the middle of an acute energy crisis as a consequence of the war in Ukraine and the ongoing natural gas cuts and self-sanctioning on Russian natural gas imports where the Eastern Mediterranean looks a key source of natural gas due to its proximity to continental Europe.

As a whole and stressing the geoeconomic and geopolitical relevance of the Eastern Mediterranean for the current Europe gas needs and the whole growing natural gas markets, it's important to mention that according to the most recent assessment by the US Geological Survey Services (USGS) it holds about 122 trillion cubic feet of gas reserves and around 1.7 billion barrels of oil in reserves and where there are existing conflicting interests in terms of exploration and production between the different players in the area such as Egypt, Israel, Cyprus, Greece.

Meanwhile Turkey also has expressed that it wants a share of this promising spot and in the past making some aggressive moves and in repeated diplomatic rifts with Greece and Cyprus mainly due to the dynamics of production in the area where already significant fields are in production such as the giant field Zohr (Egypt), Tamar (Israel), Leviathan (Israel), Aphrodite (near the coast of Cyprus) and where other players such as Russia have been intent on participating in joint projects especially due to the competition it means for Russia's long preeminence as natural gas exporter to Europe while the US has even created joint diplomatic mechanisms with the countries in the region as a way to be a participant in this key gas region, with potential for more geopolitical risks and confrontations in the future like the one between Israel and Lebanon currently. <https://pubs.usgs.gov/fs/2010/3014/pdf/FS10-3014.pdf>.

In sum, as Europe and also the MENA region will continue to face important energy and also food crisis, it is of vital importance to keep on monitoring these flashpoints in these sensitive regions rich in natural gas and oil especially due to the geographic contiguity to EU like the current spat between Israel and Lebanon in what seems to be a conflicting landscape for the control of natural gas and oil resources as Europe continues in urgent need for more natural gas and where due to the highly volatile context of the region close also to the Middle East and the Persian Gulf and the majority of opera-

tions being offshore based on the activism and militants of radical islamism like the Hezbollah, Al Qaeda or ISIS, its not discarded that any potential disruption to operations could be carried out as a retaliation to players like Israel in a case of disputes like this one between Beirut and Tel Aviv and darkening even more the outlook for gas exports from this hub to Europe in coming months and years.



Map of the members of the Eastern Mediterranean Gas Forum