

## THE NEW CYPRUS CRISIS

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Turkish warships, claiming to be participating in military drills in waters off the east of Cyprus, stopped the Saipem 12000 drillship on February 9, 2018, triggering a diplomatic standoff which has underscored tensions in the region over competing claims for offshore<sup>1</sup> resources

The Saipem 12000 was on its way to Cuttlefish, a site in block 3 where it was scheduled to drill an exploratory gas well. Since then, the drillship has been immobilized at a distance of approximately 50km from the target site.<sup>2</sup> ENI and TOTAL energy companies announced earlier this month finding a promising gas field off Cyprus, which looked geologically similar<sup>3</sup> to the Zohr field off Egypt

The Saipem 12000 vessel is contracted by Italy's state-controlled ENI which along with France's TOTAL operates the Block 3 of Cyprus's economic zone. The ship was headed to that area when it was blocked by Turkish warships. Turkey issued a navigational advisory<sup>4</sup> extending military training in the area to March 10, 2018

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<sup>1</sup>Cyprus accuses Turkey of blocking ship again in gas exploration standoff, Ahram Online, February 23, 2018

<sup>2</sup>Cyprus solution would resolve dispute says UNSG, diplomatic efforts ongoing (Update 1), Cyprus Mail Online, February 14, 2018

<sup>3</sup>Cyprus says to pursue gas exploration amid standoff with Turkey, Ahram Online, February 22, 2018

<sup>4</sup>Cyprus says to pursue gas exploration amid standoff with Turkey, Ahram Online, February 22, 2018

Turkey, which does not have diplomatic relations with Cyprus, claims that certain areas in Cyprus's Exclusive Economic Zone (EEZ) fall into the jurisdiction of Turkey or that of Turkish Cypriots.<sup>5</sup> The area where the drill ship was headed - Block 3 of Cyprus's economic zone - is also claimed by Turkish Cypriots and Turkey's state-owned oil company also plans to search<sup>6</sup> for oil and gas off Cyprus

Turkish President Tayyip Erdogan, on February 13, 2018, warned Cyprus and foreign energy companies not to "overstep the mark" in the eastern Mediterranean.<sup>7</sup>

"Don't think that we have ignored the opportunistic attempts to search for natural gas in Cyprus waters and Aegean coast....We warn those overstepping the mark with miscalculations in Cyprus and the Aegean," Erdogan said.<sup>8</sup> He even compared Turkey's response over the issue to its military operations in northern Syria, which Turkey portrays as a fight against terror groups. "Like on our southern border with our 'Euphrates Shield', 'Olive Branch' operations, we are ruining those who make mistaken calculations and their<sup>9</sup> scenarios

Cyprus's Deputy Government spokesman Victoras Papadopoulos said that "the drillship was halted by five Turkish warships and after threats of violence launched by the Turkish side and the threat of a collision with the drillship ... the drillship was compelled to return back." Papadopoulos added that Cyprus will officially protest to international forums over the latest<sup>10</sup> incident

Cypriot President Nicos Anastasiades said that Cyprus was determined to press ahead with its plans for oil and gas exploration: "Our goal is to fully explore Cyprus's hydrocarbon potential, in the best terms possible, so as to maximize the benefits for all the people of Cyprus."

Anastasiades also said the government had submitted a bill to parliament setting up a<sup>11</sup> sovereign fund to manage any future hydrocarbon resources

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<sup>5</sup>Turkish blockade of ship off Cyprus is out of Eni's control: CEO, Ahram Online, February 16, 2018

<sup>6</sup>Erdogan tells Cyprus not to test Turkey over gas standoff , Reuters, February 13, 2018

<sup>7</sup>Erdogan tells Cyprus not to test Turkey over gas standoff, Reuters, February 13, 2018

<sup>8</sup>Erdogan warns foreign companies over gas drilling near Cyprus , Ahram Online, February 13, 2018

<sup>9</sup>Erdogan warns foreign companies over gas drilling near Cyprus , Ahram Online, February 13, 2018

<sup>10</sup>Cyprus accuses Turkey of blocking ship again in gas exploration standoff, Ahram Online, February 23, 2018

<sup>11</sup>Cyprus says to pursue gas exploration amid standoff with Turkey, Ahram Online, February 22, 2018

The discovery of vast gas reserves in the eastern Mediterranean has prompted a rush of investment since 2009, with the discovery of the record-breaking Zohr gas field in Egyptian waters particularly exciting news for Cyprus, whose exclusive economic zone borders the estimated 30 trillion cubic feet gas fields.<sup>12</sup>

The overlapping maritime borders in the Eastern Mediterranean between Egypt, Turkey, Greece and Cyprus and Israel, could become a greater source of regional tension. Gas exploration in the eastern Mediterranean has revealed gas reserves in excess of 122 trillion cubic feet, according to the US Geological Survey, but the lack of boundary demarcation has<sup>13</sup> added uncertainty to exploration activities

### **The Saipem 12000 incident**

Cyprus said on February 11, 2018, the Turkish military was obstructing a drill rig contracted by Italy's ENI from approaching an area to explore for natural gas. Saipem 1200 was stopped by Turkish military ships and told not to continue because of military activities in the<sup>14</sup> destination area

The Saipem 12000 drill ship had been heading from a location south-southwest of Cyprus towards an area southeast of the island when it was stopped by Turkish warships, Cyprus<sup>15</sup> said

The area where the drill ship was headed - Block 3 of Cyprus's economic zone - is also claimed by Turkish Cypriots. Turkey's state-owned oil company also plans to search for oil and gas off Cyprus, ethnically partitioned between its Greek and Turkish Cypriot<sup>16</sup> communities

Using the Saipem 1200, ENI had previously reported a promising gas discovery south-southwest of Cyprus in another location on February 8, 2018, inside Cyprus's exclusive<sup>17</sup> economic zone

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<sup>12</sup>Ilhan Tanir ,Exclusive: United States backs Cyprus rights to gas exploration, Ahval, February .21, 2018

<sup>13</sup>New gas fields add more heat to already simmering Mediterranean, Al Monitor, October 6, .2015

<sup>14</sup>Turkish blockade of ship off Cyprus is out of Eni's control: CEO, Ahram Online, February 16, .2018

<sup>15</sup>Cyprus says Turkish ships obstructing gas drill ship in east Mediterranean, Ahram Online, .February 11, 2018

<sup>16</sup>Erdogan tells Cyprus not to test Turkey over gas standoff , Reuters, February 13, 2018

<sup>17</sup>Cyprus says Turkish ships obstructing gas drill ship in east Mediterranean, Ahram Online, .February 11, 2018

Cypriot president Nicos Anastasiades said Cyprus was taking the "necessary" steps over the matter, but seemed keen to play down any escalation

Italy's energy giant ENI said its ship had been ordered to stop by Turkish ships last week over "military activities in the destination area" as it was on course to start exploring in block 3 of <sup>18</sup>.Cyprus's exclusive economic zone

Italian Foreign Minister Angelino Alfano told his Turkish counterpart, Mevlut Cavusoglu, that he wanted a solution to the standoff "that is in line with international law", a statement from <sup>19</sup>.Italy's Foreign Ministry said

## **Background**

Cyprus is ethnically partitioned between its Greek and Turkish Cypriot communities.

Owing to Turkey and Greece's involvement since its early stages, the conflict has also had a distinct regional dimension for many years. This regional dimension is also the product of islands geography as a bridge between 3 continents and due to the history and demographics of the region.

Cyprus has been divided since 1974 when Turkish troops invaded and occupied the northern third of the island in response to a Greek military junta-sponsored coup

While Greek-majority Republic of Cyprus is internationally recognized, the breakaway Turkish Republic of Northern Cyprus is recognized only by Ankara. At the international level, the problem has preoccupied the UN since 1964 and involved NATO, the United States and since 2004, the EU became more directly embroiled when Cyprus acceded the Union without a peace settlement. In 2004, the European Union had declared the Greek Cypriots the sole entity representing the island of Cyprus and accepted it as an EU member

Ankara and Cyprus have long argued over the eastern Mediterranean, and Turkey has been stringent in defending the claims of Turkish Cypriots for a share. Turkey says Greek Cypriots have no jurisdiction to explore for natural gas. Greek Cypriots say it is their sovereign right

## **The Turkish policy**

Turkey is claiming that the search for hydrocarbons in the Mediterranean Sea near Cyprus cannot be carried out until an agreement is reached on a Cyprus settlement. Turkey has vowed to prevent Greek Cypriots from exploring for oil or gas around the ethnically-split island and says some areas of Cyprus's offshore maritime zone fall under its jurisdiction

In September 2011 Ankara and the breakaway regime signed a 'Continental Shelf Delimitation Agreement'. It is on this basis that Turkish Cypriots declared an 'Exclusive Economic Zone' which in effect claims that half of Cyprus' EEZ belongs to them, namely

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<sup>18</sup>Erdogan warns foreign companies over gas drilling near Cyprus ,Ahram Online, February 13, 2018

<sup>19</sup>Erdogan tells Cyprus not to test Turkey over gas standoff, Reuters, February 13, 2018

blocks 1,2,3,8,9,12 and 13, including a few kilometers of the Aphrodite gas field.

Turkey itself is laying claim to parts of various blocks in Cyprus' EEZ saying the areas in question form part of its continental shelf. The claim includes part of blocks 1, 4, 5, 6 and 7,<sup>20</sup> to the west and southwest of the island

Turkish Cypriot 'energy minister' Ozdil Nami has said that there should be co-management of the island's natural reserves right now or Greek Cypriot energy plans should be frozen until a Cyprus settlement is reached. Nami made it clear that Turkey was in a position to block planned drilling in all areas of Cyprus' exclusive economic zone (EEZ) and did not rule that<sup>21</sup> out

If there is no possibility of such an interim energy agreement, Nami said Turkey could intervene and prevent drilling. "It could happen. It depends on the situation at the given time. There should be a dialogue with the Turkish Cypriot side on hydrocarbon issues in order to resume talks on the Cyprus issue within a defined timetable. Dialogue, or the<sup>22</sup> "freezing of drilling activities to avoid the poisoning of the talks climate

In parallel, Turkey strengthened its military presence and extended military exercises to .March 10, 2018, in the Eastern Mediterranean

Turkey urgently starts independent exploration of gas reserves in the Northern part of the island controlled by the Turkish community. In particular, the Turkish state oil and Gas Company planned to begin test drilling in 25 km North-West of the city of Famagusta in close .proximity to one of the most important archaeological sites of Cyprus, the city of Engomi

### **The European Union**

The European Union, where Cyprus is a member, has made clear it is keeping a close eye on Turkey's behavior. EU President Donald Tusk spoke with Cypriot President Nicos Anastasiades, urging Turkey on Twitter to "avoid threats or actions against any EU member". He added Turkey should "instead commit to good neighborly relations, peaceful dispute settlement and respect for territorial sovereignty."<sup>23</sup> For its part, the Italian government

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<sup>20</sup>Cyprus solution would resolve dispute says UNSG, diplomatic efforts ongoing (Update 1), .Cyprus Mail Online, February 14, 2018

<sup>21</sup>Nami says co-manage gas plans now or freeze pending Cyprus solution, threatens block .10,Cyprus Mail Online, February 25, 2018

<sup>22</sup>Nami says co-manage gas plans now or freeze pending Cyprus solution, threatens block .10,Cyprus Mail Online, February 25, 2018

<sup>23</sup>Erdogan warns foreign companies over gas drilling near Cyprus ,Ahram Online, February 13, .2018

reiterated it was monitoring the situation and would take “all possible diplomatic steps to<sup>24</sup>” resolve the issue

### **The U.S**

The U.S. State Department spokesperson suggested the dispute would be best solved through an overall solution to the Cyprus dispute. “We continue to believe the island’s oil and gas resources, like all of its resources, should be equitably shared between both communities in the context of an overall settlement,” said the spokesperson. “We discourage<sup>25</sup>” any actions or rhetoric that increases tensions in the region

The US urged Turkey to stop. “The United States recognizes the right of the Republic of Cyprus to develop its resources in its Exclusive Economic Zone”, said a State Department Spokesperson, adding that the US policy on Cyprus’s EEZ is longstanding and has not changed. In a written reply to questions concerning Turkey’s actions, the State Department said it continues to believe that “the island’s oil and gas resources, like all of its resources, should be equitably shared between both communities in the context of an overall settlement”. “We discourage any actions or rhetoric that increase tensions in the region,”<sup>26</sup> said the spokesperson

Following more than a week of the Turkish navy blocking Eni's vessel, U.S. oil giant ExxonMobil announced plans to send two surveying vessels to Cyprus’s exclusive economic<sup>27</sup> zone despite the ongoing dispute

### **Russia**

The Russian foreign ministry expressed the hope that all interested states will act in accordance with international law as regards the situation. “We believe that the interested parties should refrain from taking steps that could escalate tensions in the Eastern Mediterranean, raising the existing regional differences,” spokeswoman Maria Zakharova<sup>28</sup> said according to Tass news agency

### **The U.N**

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<sup>24</sup>Cyprus solution would resolve dispute says UNSG, diplomatic efforts ongoing (Update 1), .Cyprus Mail Online, February 14, 2018

<sup>25</sup>Ilhan Tanir , Exclusive: United States backs Cyprus rights to gas exploration, Ahval, February .21, 2018

<sup>26</sup>Cyprus solution would resolve dispute says UNSG, diplomatic efforts ongoing (Update 1), .Cyprus Mail Online, February 14, 2018

<sup>27</sup>Ilhan Tanir ,Exclusive: United States backs Cyprus rights to gas exploration, Ahval, February .21, 2018

<sup>28</sup>Cyprus solution would resolve dispute says UNSG, diplomatic efforts ongoing (Update 1), .Cyprus Mail Online, February 14, 2018

UN Secretary-General Antonio Guterres said that a solution to the Cyprus problem was the best way of resolving the hydrocarbons dispute, between Cyprus and Turkey. Guterres regretted that tensions over hydrocarbons exploration had escalated once again, and stressed that all concerned parties should do their utmost to defuse tensions. He recalled that the Turkish Cypriot and Greek Cypriot leaders had previously agreed that natural resources in a unified Cyprus would lie within the competence of the future federal<sup>29</sup>.government

### **Egypt – Turkey dispute**

The 2014 Cairo Declaration between Egypt, Cyprus, and Greece resulted in resumed negotiations over demarcation of the maritime boundary between Egypt and Cyprus and between Egypt and Greece, but the efforts of these three countries to halt Turkish gas .exploration in the disputed areas were rebuffed

Egypt is working to promote regional cooperation in this area, because it wants to intensify the exploration and exploitation of natural gas. The natural gas the four countries will extract would be transferred to Egypt, where it will be condensed at Egyptian liquefaction facilities. Then, it will be exported to Europe, thus fulfilling the vision of Egypt to become a regional<sup>30</sup>.energy center

Talks were scheduled to begin to build a pipeline to deliver natural gas to Egypt from the Aphrodite Gas Field off the coast of Cyprus to be liquefied using Egypt's liquefaction plants<sup>31</sup>.and re-exported

Turkish Foreign Minister Mevlut Cavusoglu said in January 2018, that the maritime border demarcation agreement between Egypt and Cyprus was invalid and the agreement violates Turkey's continental shelf. He said that Turkey has submitted to the UN its objection to the Egyptian-Greek Cypriot agreement of 2003 regarding to the so-called 'Delimitation of the Exclusive Economic Zone. Cavusoglu continued that "No foreign country, company, or vessel may conduct any unauthorized hydrocarbon or scientific research activity on Turkey's<sup>32</sup>".continental shelf

The statement by the Turkish FM comes nearly one week after Egyptian President Abdel-Fattah El-Sisi emphasized the importance of Egypt's eastern Mediterranean border .agreements in regards to oil and gas exploration

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<sup>29</sup>Cyprus solution would resolve dispute says UNSG, diplomatic efforts ongoing (Update 1), .Cyprus Mail Online, February 14, 2018

<sup>30</sup>Spiros Sideris, Al-Shorouk: Demarcation of Greece - Egypt's maritime borders, Independent .September 5, 2016 ,Balkan News Agency

<sup>31</sup>Ghada Ismail, Egypt's gas journey, Al Ahram Weekly, Issue 1381, 15 - 21 February 2018

<sup>32</sup>Turkish rejection of 2003 Egypt-Cyprus border demarcation is 'unacceptable': Egyptian FM, .Ahram Online, February 7, 2018

In an official statement, Egypt foreign ministry spokesman Ahmed Abu Zeid Egypt warned on February 7, 2018, against any attempts to infringe or disparage its sovereign rights in the eastern Mediterranean's Exclusive Economic Zone (EEZ), following statements by Turkish<sup>33</sup>. Foreign Minister Mevlut Cavusoglu

Responding to the Turkish foreign minister's statements, Abu Zeid said that no party can contest the agreement's validity, "as it is in line with the principles of international law and ".has been recognized as an international agreement by the UN

Relations between Turkey and Egypt have been strained since the 2013 ouster of Egypt's Islamist president Mohamed Morsi, a close ally of Erdogan's AKP government. Erdogan has repeatedly slammed Morsi's removal as a "coup." Cairo has repeatedly accused Ankara of "interference" in its domestic affairs and of supporting Islamist militants who carry out<sup>34</sup>.terrorist attacks in Egypt

Meanwhile, the Egyptian Navy carried out on February 14, 2018, a military exercise on Mediterranean waters, launching four surface-sea and sea-surface missiles. Egyptian army<sup>35</sup> ".said these moves were part of a training to "deal with all threats facing territorial waters

Egypt's Armed Forces said in a statement that its navy is implementing security measures at the country's Zohr gas field in the Mediterranean's to combat any potential threats.

The statement said that the navy is securing great distances off the coast using modern naval technology with advanced combat capabilities, including submarines, frigates and<sup>36</sup>.missile boats, as well as special naval units with high mobility and maneuverability

## Summary

Turkey's steps are highlighting tensions over offshore resources in the east Mediterranean. Blocking the ship is the latest twist in decades-old feuds and overlapping claims in the eastern Mediterranean, brought into sharper focus by the discovery of some of the world's .largest gas finds in the past decade lurking in the watery deep

ENI and France's Total, partners in a Cyprus venture, announced finding a promising gas field off Cyprus. They said the find looked geologically similar to the Zohr field off Egypt, which holds an estimated 30 trillion cubic feet of gas, the largest field ever found in the

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<sup>33</sup>Turkish rejection of 2003 Egypt-Cyprus border demarcation is 'unacceptable': Egyptian FM, .Ahrm Online, February 7, 2018

<sup>34</sup>Turkish rejection of 2003 Egypt-Cyprus border demarcation is 'unacceptable': Egyptian FM, .Ahrm Online, February 7, 2018

<sup>35</sup>Mohamed Nabil Helmy and Saeed Abdelrazek, Mediterranean Gas Fields Boost Tension .among Four Nations, Asharq Al Awsat, February 14, 2018

<sup>36</sup>Egyptian naval forces deployed at Mediterranean's Zohr gas field to combat potential .threats, Ahrm Online, February 20, 2018

Mediterranean.<sup>37</sup> The gas finding has heightened regional tension, between Turkey on the one hand and Greece, Cyprus and Egypt on the other

Turkey, which does not have diplomatic ties with Cyprus, says some areas of Cyprus's offshore maritime zone fall under the jurisdiction of Turkey or Turkish Cypriots, underscoring tensions in the broader eastern Mediterranean over competing claims for offshore<sup>38</sup> resources

Cyprus was split in a Turkish invasion in 1974 after a brief Greek-inspired coup. Numerous diplomatic efforts have been made both domestically and internationally to enhance different forms of peaceful unity since the conception of the Cyprus Problem.

The growing standoff between Turkey and Cyprus over exploiting energy resources in the eastern Mediterranean risks further complicating stalled efforts to reunify the island following the collapse of peace talks last year. The Cyprus government said it was trying to resolve the issue through diplomatic means, without escalating tensions, while Turkey Cairo and Ankara have<sup>39</sup> refuses to budge, citing its rights and those of the Turkish Cypriots entered into public disputes over gas drilling in the Mediterranean, especially since Egypt and Cyprus have a gas-sharing agreement. Egypt and Cyprus are bound by the 2013 deal to determine how to share discovered gas deposits and determine their respective areas.<sup>40</sup> Turkey will face a confrontation with Egypt if it does not respect Cairo's rights for gas exploration won in a deal with Cyprus, the Egyptian Foreign Ministry spokesperson Ahmed Abu Zeid warned early in February 2018

Ongoing diplomatic efforts are trying to resolve the standoff in the EEZ's block 3, caused when Turkish warships blocked a drillship from reaching its target to conduct exploratory drilling for natural gas and Cyprus is awaiting the results of these efforts

The border demarcation will not be sufficient to put an end to the conflict over the gas discoveries in the Mediterranean, as the underground gas and oil reservoirs in this area are located at varying depths and some reserves span international borders.<sup>41</sup>

In addition to Cyprus, Turkey and Egypt, Israel and Lebanon are also at odds over offshore gas exploration and marine boundaries

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<sup>37</sup>Erdogan tells Cyprus not to test Turkey over gas standoff , Reuters, February 13, 2018

<sup>38</sup>Erdogan tells Cyprus not to test Turkey over gas standoff , Reuters, February 13, 2018

<sup>39</sup>Cyprus solution would resolve dispute says UNSG, diplomatic efforts ongoing (Update 1), Cyprus Mail Online, February 14, 2018

<sup>40</sup>Mohamed Nabil Helmy and Saeed Abdelrazek, Mediterranean Gas Fields Boost Tension among Four Nations, Asharq Al Awsat, February 14, 2018

<sup>41</sup>New gas fields add more heat to already simmering Mediterranean, Al Monitor, October 6, 2015

