THE MARITIME BOUNDARIES AND NATURAL RESOURCES OF THE REPUBLIC OF LEBANON

Challenges and Opportunities

Version of December 2014
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Introduction

Background

In 2007, Lebanon signed an agreement with Cyprus on the delimitation of their Exclusive Economic Zones (EEZ). As stipulated by the Law of the Sea, the two southernmost and northern most points of the Lebanese EEZ were left for further negotiations with neighboring countries namely Israel\(^1\) and Syria. The agreement was never ratified by the Lebanese government. On the other hand, Israel marked the northern point of its EEZ on the western point of Lebanon’s proposed border with Cyprus (known as point one) thus pushing its EEZ boundaries with Lebanon 17 km north and creating a sliver of at least 860 square kilometers in dispute. Israel’s announcement of gas discoveries in the Tamar, Leviathan and Tanin fields has also spurred reactions from Lebanese officials claiming that the gas fields fall within Lebanon’s EEZ.

The discourse on over EEZ boundaries and natural resources raised various interpretations of international maritime law, by which countries draw their borders at sea, and created a need to clarify the legal context of maritime boundary conflicts and the practical difficulties that branch out of it.

Maritime Borders Claims

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1. In accordance with Lebanese law and practice, the term ‘Israel’ quoted in this document from media and other resources refers to territorially to ‘Occupied Palestine’ and politically to the ‘Zionist Entity’.
Methodology and Composition

The legal resource package is based on desk research that relies, to the extent possible, on raw data (primary sources) openly accessible to the public, in order to support multiple perspectives and create a neutral basis for interaction. Legal concepts and pertinent legal questions arising from the delimitation of Lebanon’s EEZ are framed in a question/answer style that aims at making specialized legal information accessible to a broader public.

The research was further developed through various consultations with stakeholders in the oil and gas portfolio in Lebanon and passed through a review process by national and international legal experts.

The Resource package consists of six parts. Part I is a glossary for the clarification of technical maritime terms utilized in the maritime field. Part II indicates the international laws and statutes that regulate maritime borders and limits, whereas Part III is a description of the general legal process for delimiting maritime borders and limits. Part IV is an account of the basic facts that shape the legal issues concerning the delimitation of Lebanon’s maritime borders, and of the neighboring countries’ various claims and positions vis-à-vis contiguous maritime boundaries. Part V lays out the peaceful mechanisms for conflict prevention and resolution with a brief synopsis on the merits of each mechanism based on case law. Part VI addresses the role of oil and gas companies in a maritime conflict, in addition to the legal consequences of exploration and exploitation activities in a disputed area.

This Resource Package is understood to be a live document, growing with the present developments. Comments on the Legal Resource Package, including suggestions for future packages, are always welcomed. To request copies of the package, provide comments, or make suggestions for new topics, please email the CSI to: vida.hamd@commonspaceinitiative.org, soha.frem@commonspaceinitiative.org

Disclaimer

The depiction and use of maps, boundaries, geographic names and related data are not warranted to be free of error, nor do they necessarily imply official endorsement by CSI.
In accordance with Lebanese law and practice, the term 'Israel' quoted in this document from media and other resources refers to territorially to ‘Occupied Palestine’ and politically to the ‘Zionist Entity’.

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1. Key Terms
The following is a general overview of key terms used in maritime law. It aims at clarifying the terminology used in the resource package. The definitions provided below are derived from the 1982 United Nations Convention on the Law of the Sea, hereafter referred to as UNCLOS.

• Baseline/Coastal Baseline
The normal baseline for measuring the breadth of the territorial sea is the low-water line along the coast as marked on large-scale charts officially recognized by the coastal State (UNCLOS, art. 5).

Naturally formed areas of land which are surrounded by and above water at low tide but submerged at high tide, may be used as baselines when situated wholly or partly at a distance not exceeding the breadth of the territorial sea from the mainland or an island. (UNCLOS, art. 13) If the coastline is deeply indented or cut, or if there are some islands along the coast, a straight line may be drawn across the bays and/or river mouths and islands to form the baseline. (UNCLOS, art. 7, 9, 10)

• Nautical Mile
A nautical mile (nm) is a unit of length used in sea and air navigation. It was defined in the First International Extraordinary Hydrographic Conference that was held in Monaco in 1929. Nautical miles are measured using the latitude/longitude scale whereby each nautical mile is equivalent to 1,852 km (approximately 6,076 feet).

• Territorial Sea
The Territorial Sea, also known as Territorial Waters, is 12 nm measured from the coastal baseline. (UNCLOS, art. 3)

• Contiguous Zone
The Contiguous Zone is adjacent to the territorial sea and extends up to 24 nm from the coastal baseline. A coast state exercises law enforcement control over this zone to prevent and punish violations of its laws. (UNCLOS, art. 33)

• Continental Shelf
The continental shelf comprises the seabed and subsoil of the submarine areas that extend beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nm from the baselines from which the breadth of the territorial sea is measured where the outer edge of the continental margin does not extend up to that distance. (UNCLOS, art. 76)

• Exclusive Economic Zone (EEZ)
The exclusive economic zone is an area beyond and adjacent to the territorial sea but may not extend beyond 200 nm from the territorial sea baselines. (UNCLOS, art. 57). In the EEZ, a State has sovereign rights to explore, exploit, conserve and manage the natural resources of the waters superjacent to the seabed and of the seabed and its subsoil, sovereign rights with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds, and jurisdiction over artificial islands, installations and structures. (UNCLOS art. 56)

• Maritime Boundary
A Maritime Boundary divides the maritime zones of one state from those of another adjacent or opposite state(s). A bilateral or multilateral agreement among these states is needed to demarcate the boundary.

• Maritime Limit
The Maritime Limit defines the space over which a state can exercise its jurisdiction (see the description of the different maritime zones mentioned above) and is thus established unilaterally by the state. A Maritime Boundary differs from a Maritime Limit as follows:

<table>
<thead>
<tr>
<th>Maritime Boundary</th>
<th>Maritime Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division in relation to maritime zones of another state</td>
<td>Limit of space over which state can exercise jurisdiction</td>
</tr>
<tr>
<td>Bilateral or multilateral in nature</td>
<td>State can establish its own limits relating to territorial sea and EEZ</td>
</tr>
<tr>
<td>Unilateral nature</td>
<td></td>
</tr>
</tbody>
</table>

• Delimitation
The process of setting the limits of a particular area by means of a treaty, or another written source such as a map, or a chart.

• Demarcation
The means by which the described alignment is marked, or evidenced, on the ground by means of cairns of stones, concrete pillars, technical beacons of various kinds, cleared roads, and so on.

• Seismic Survey
Seismic surveys use reflected a sound wave to produce a scan of the Earth’s subsurface. Seismic surveys can help locate ground water, are used to investigate locations for landfills, and characterize how an area will shake during an earthquake, but they are primarily used for oil and gas exploration.

• High Seas
All parts of the sea that are not included in the territorial waters or internal waters of a state (1958 Convention on the High Seas, art. 1)
2. Applicable Conventions and Protocols
Main International Instruments that Govern Maritime Issues

- The 1958 Conventions on the Law of the Sea that include:
  1. Convention on the Territorial Sea and Contiguous Zone
  2. Convention on the High Seas
  3. Convention on the Continental Shelf
  4. Convention in Fishing and Conservation of Living Resources of the High Seas
  5. Optional Protocol of Signature concerning Settlement of disputes


Existing National Maritime Legislation

- Legislative Decree No 138 concerning territorial waters and sea areas (September 1983)
- Offshore Petroleum Resources Law No 132 (August 2010)
- Law No 163 on the Delimitation and Declaration of the Maritime Limits of the Lebanese Republic (August 2011)
General Legal Process of Delimiting Maritime Borders and Limits
General Legal Process of Delimiting Maritime Borders and Limits

1. How is a baseline determined?

1.1 Normal Baseline
The normal baseline for measuring the breadth of the territorial sea is the low-water line along the coast as marked on large-scale charts officially recognized by the coastal State (UNCLOS, art. 5).

See figure 1, point B.

1.2 Straight Baseline
If the coastline is deeply indented or cut, or if there are some islands along the coast, a straight line may be drawn across the bays and/or river mouths and islands to form the baseline (UNCLOS, art. 13).

See red line in figure 2.

1.3 Low-Tide Elevations
Naturally formed areas of land which are surrounded by and above water at low tide but submerged at high tide, may be used as baselines when situated wholly or partly at a distance not exceeding the breadth of the territorial sea from the mainland or an island (UNCLOS, art. 13).

2. What are the methods used for the delimitation of maritime borders and limits?

There exist two distinct delimitation methods; the equidistant line method, and the equitable principles method. Tensions developed between these two principles leading to a mixed application of the two methods known as the equitable solution principle.

2.1 Equidistance Line Method
An Equidistance line is one for which every point on the line is equidistant from the nearest points on the baselines being used. According to this method, a state’s maritime boundaries should conform to a median line equidistant from the shores of the opposite state.

After drawing a provisional equidistant line, historical considerations and other special circumstances, such as the presence of small islands, may warrant adjusting the equidistant line accordingly. For example, in the case of Bahrain against Qatar, the International Court of Justice (ICJ) did not give any effect in the delimitation of borders between the two states to the Bahraini island of Qit’at Jaradah, a small island of 12 by 4 meters. Since the island was uninhabited, devoid of vegetation, and located midway between the mainland of Qatar and that of Bahrain, the ICJ decided that this island constituted a special circumstance and therefore adjusted the provisional equidistance line in such a manner that the line passed immediately to the east of the island. By contrast, Qatar’s slightly larger island of Janan, located only 2.9 miles from the Qatar coast, was not considered to be a special circumstance and was given full effect.

2.2 Equitable Principle
Delimitation based on equidistance may result in inequities particularly in the case of adjacent and opposite states. The equitable principle attempts to remedy this inequity by using other geometrical approaches to delimitation that produce an equal division of areas. For example, in the case of Nicaragua versus Honduras, the ICJ maintained that while equidistance remains the general rule in delimiting the territorial sea, it formed the opinion that it would not be sufficient simply to adjust the provisional equidistant line but that special circumstances required the use of a different method of delimitation known as...
General Legal Process of Delimiting Maritime Borders and Limits

2.3 Combined Method (International Standard)

There are no systematic criteria which should be used to determine an equitable delimitation. As such, the equitable principle remains a rather ambiguous and imprecise rule. This is corroborated by the ICJ that noted in the case of the Gulf of Maine and reiterated in the Qatar versus Bahrain case: “In the case of coincident jurisdictional zones, the determination of a single boundary for the different objects of delimitation ‘can only be carried out by the application of a criterion, or combination of criteria, which does not give preferential treatment to one of these… objects to the detriment of the other, and at the same time is such as to be equally suitable to the division of either of them’.”

3. How is the territorial sea delimited?

The delimitation of the territorial sea is governed by article 15 of the UNCLOS which is identical to the text of the 1958 convention on the Territorial Sea and Contiguous Zone. Both conventions provide that unless the states agree otherwise or there are historical titles or special circumstances, states may not extend their territorial sea beyond the median line every point of which is equidistant from the nearest points on the baselines from which the breadth of the territorial seas of each of the two States is measured. “Where the coasts of two States are opposite or adjacent to each other, neither of the two States is entitled, failing agreement between them to the contrary, to extend its territorial sea beyond the median line every point of which is equidistant from the nearest points on the baselines from which the breadth of the territorial seas of each of the two States is measured. The above provision does not apply, however, where it is necessary by reason of historic title or other special circumstances to delimit the territorial seas of the two States in a way which is at variance therewith.”

4. How is the EEZ delimited?

A state with an EEZ that does not intersect with another state’s EEZ proclaims its EEZ following certain procedures (refer to point 5).

States with opposite or adjacent coasts and an EEZ area that intersects among them should reach a bilateral/multilateral agreement on the delimitation of their respective EEZ as per article art. 74 (1) of the UNCLOS that stipulates: “The delimitation of the exclusive economic zone between States with opposite or adjacent coasts shall be effected by agreement on the basis of international law, as referred to in Article 38 of the Statute of the International Court of Justice, in order to achieve an equitable solution.”

5. What is the procedure that a country undergoes to proclaim its EEZ?

An EEZ cannot legally come into existence until proclaimed by a state. The proclamation of the EEZ takes place through:

- Depositing charts and lists of geographical coordinates as designated by cartographers defining the limits of the EEZ at the office of the UN Secretary General: if the state is party to UNCLOS. This data is then published in the UNCLOS Bulletin that is accessible online.

- Provising the relevant national legislation.

- With respect to opposite or adjacent states, an agreement between the neighboring states can be concluded at any stage.
6. What principles apply should states with opposite or adjacent coasts fail to reach a bilateral agreement

If a bilateral agreement on the EEZ limits cannot be reached, a State can relate to international standard of international law.

The provisions in the treaties that govern maritime delimitation, and the principles and standards that they incorporate, are ambiguous and only provide general guidelines, thus allowing for different interpretations.

Nevertheless, there are certain principles that are set by jurisprudence and are applicable by the ICJ should the states fail to reach a bilateral agreement. These principles state that:

• Delimitation between opposite coasts is characterized as having two end points. With respect to end points, the predominant practice of the Court is to delimit the single maritime boundary, EEZ or continental shelf up to 200 nm or until it reaches a point where the rights of third States may be affected.

• With respect to the point where the rights of third States may be affected, two different approaches are apparent in the jurisprudence of the Court. The first approach is to leave the terminal point of the delimitation open and simply indicate the direction in which the line is to extend until it reaches the point where a third State’s rights are affected. The benefit of this approach is that it ensures that when an agreement is reached with the third State, there will be a completed delimitation in the area and the rights of the third State are not prejudged by the Court.

The second approach is to cut off the line at the limit of claims put forward by third States. A shortcoming of this approach is that it may lead to a situation where the determination of the Court’s jurisdiction is placed in the hands of a third State and depends on that State’s claims.

7. How is the continental shelf delimited?

Article 83 (1) of UNCLOS stipulates: “The delimitation of the continental shelf between States with opposite or adjacent coasts shall be effected by agreement on the basis of international law, as referred to in Article 38 of the Statute of the International Court of Justice, in order to achieve an equitable solution.”

Article 6 of the 1958 Convention on the Continental Shelf stipulates: “Where the same continental shelf is adjacent to the territories of two or more States whose coasts are opposite each other, the boundary of the continental shelf appertaining to such States shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary is the median line, every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.”

Therefore, in both conventions, adjacent or opposite states are obliged to reach an agreement on the EEZ and continental shelf limit. Nevertheless, whereas the 1958 Convention incorporates the equidistant-special circumstances principle, the UNCLOS clearly states that the EEZ and continental shelf are delimited based on the equitable principle.
Legal Issues Concerning Lebanon’s EEZ
1. Statement of Facts

Geophysical surveys and explorations for oil and gas started long before the Lebanese civil war and indicated the presence of considerable hydrocarbon resource bases both onshore and offshore. National legislation to regulate maritime borders and resources, however, were limited to Legislative Decree no 138 concerning Territorial Waters and Sea Areas1 that was passed on 7 September 1983.

In 1999, a number of oil and gas discoveries were made in what is known as the Levantine basin located beneath the territorial waters of Lebanon, Israel, Cyprus and Syria. These discoveries were followed by a series of maritime measures by Lebanon and Israel. The following chronological account of actions taken by both States provides a more meaningful view of these maritime measures that may seem isolated.

Chronology

- • As part of the regional speculative conduct over the Mediterranean region in the year 2000, various 2D and 3D seismic surveys of Lebanon’s Exclusive Economic Zone, hereafter EEZ, were conducted by Spectrum Company. From 2000 to 2007, further seismic surveys were carried out by other companies as well. All seismic data indicate the presence of a considerable hydrocarbon resource offshore Lebanon.

- • In 2001, Southampton Oceanographic Center was tasked with delimiting Lebanon’s EEZ2.

- • In January 2007, a bilateral agreement was signed between Lebanon and Cyprus in which the edges of the zones were marked by six coordinates judged to be equidistant3 between the two countries. Point 1 marked the southern extent between Lebanon and Cyprus and Point 6 marked the northern. Included in the agreement was a clause that left open the possibility of amending Point 1 and 6 in light of future delimitation of the EEZ with other concerned neighboring states, meaning Israel to the south and Syria to the north. The agreement was ratified by Cyprus in 2009 but not by Lebanon in order to maintain diplomatic relations with Turkey who disputes any agreement that does not include the Turkish-Cypriot part of the island.

- • In October 2007, the Lebanese Council of Ministers passed national legislation concerning the petroleum policy for offshore exploration4 that was drafted with the assistance of the Norwegian Agency for Development, hereafter NORAD. The legislation was endorsed by the Parliament in August 2010.

- • In April 2009, Lebanese army geographers established the limits of the EEZ along the lines of two points that are shared with Cyprus and Syria: point 1 in the south (shared with Cyprus) and point 6 in the North (shared with Syria). Nevertheless, technically speaking, Lebanon’s outermost EEZ extends beyond these 2 points to include points 23 in the south and point 7 in the North, as claimed by the Lebanese Government.

- • In May 2009, The Council of Ministers endorsed the army’s findings and deposited the geographical coordinates defining the Southern limit of Lebanon’s EEZ (bordering Palestine)5 at office of the UN Secretary General on 15 July, 2010.

- • On 20 October 2010, Lebanon deposited the Southern part of the western median line of its EEZ6 - that is the point bordering Cyprus, in addition to the Southern coordinates that it had deposited earlier and that borders Palestine.

- • Two months later, on 17 December 2010, Israel signed an agreement with Cyprus delimiting their EEZ zone. The agreement consisted of 12 geographical points defining the edges of the EEZ with the first boundary marker placed surprisingly at the same coordinates of point 1 defined by the Cyprus-Lebanon EEZ agreement (33-38’ Lat and 33-53’-40 Long). The Israel-Cyprus agreement contained the same clause regarding amending the first and last markers depending on future border agreements with other states.

- • On 20 June 2011, the Lebanese Minister of Foreign Affairs and Emigrants addressed a letter to the UN Secretary General clarifying that Lebanon’s EEZ boundary begins at Ras Naqora which marks the land border between Lebanon and Israel, as per the 1949 Israeli-Lebanese Armistice Agreement table of coordinates, and terminates at Point 23 which lies 133 kilometers from the coast at an average angle of 291 degrees.

The letter ascertained that Point 1 does not represent the southern end of the median line that separates the EEZ of each country and thus it should not be taken as a starting point between Cyprus and Israel.8 It also requested the UN to take the needed measures to resolve the problem and ensure Lebanon’s right.

- • On 12 July 2011, Israel ignored Lebanon’s protests to the UN and deposited the geographical coordinates of its northern territorial waters and EEZ designating point 1 as the limit that separates its EEZ from that of Cyprus and Lebanon, and point 31 as the northern limit that separates its territorial sea and EEZ from that of Lebanon.9

- • Following the letter that Lebanon sent in June 2011, Israel stated that it would demarcate maritime border with direct negotiation with Lebanon and as part of a comprehensive peace agreement.

- • On Aug. 4, 2011, the Lebanese Parliament endorsed a law on the delimitation of Lebanon’s EEZ. The relevant decrees are expected to be drafted at a later stage.

- • Since August 2011, Israel has deployed unmanned aerial vehicles to monitor its maritime resources, intensifying the tension.10

1. The official letters of Lebanon mention Palestine and not Israel as Lebanon does not acknowledge the statehood of Israel.
tion%20Lebanon.pdf
4. The designation of equidistant coordinates is an application of the median line principle stipulated in the UNCLOS.
5. Letter of the Lebanese Foreign Minister to the UN Secretary General endorsing the army’s findings and deposited the geographical coordinates defining the Southern limit of Lebanon’s EEZ (bordering Palestine) at office of the UN Secretary General on 15 July, 2010.
On 3 September 2011, the Lebanese Foreign Minister addressed another letter to the UN Secretary General objecting to the agreement signed between Israel and Cyprus and ascertaining that the points that Israel adopted—that is, points 1 and 23—are in violation of Lebanese sovereignty. The letter stated that:
- Point 1 is not the equidistant point between Lebanon, Cyprus and Israel.
- Point 31 falls north of Lebanon’s internationally recognized borders as per the Paulet-Newcombe agreement.

On 21 September 2011, the Lebanese Minister of Foreign Affairs stated that he will be meeting with the Cypriot Minister of Foreign Affairs to discuss the Cypriot-Turkish conflict and the revisiting of the Cypriot-Lebanese Agreement.

In March 2012, Cyprus informed Parliament Speaker Berri that the flaws in the EEZ agreements are of no concern to Cyprus. The Cypriot Minister of Foreign Affairs reiterated that amending the existing treaty with Lebanon would only happen in light of an agreement between the three countries, Cyprus, Lebanon and Israel.

In December 2012, Fredrick Hof gave Lebanon and Israel a map that proposed a compromise for dividing natural gas resources between them. The US map acknowledged 100,000 km² of the disputed area as Lebanese maritime territory and suggested Lebanon starts exploiting this area with guarantees that the US will employ diplomacy to resolve the dispute over the remaining area. Neither Lebanon nor Israel replied to this proposal.

The US mediation proposal aimed at creating a so-called ‘Maritime Separation Line’ (MSL) which is very similar to the blue line demarcated with Israel on land. The proposal envisaged a buffer zone adjacent to the MSL where no petroleum activities would be allowed without the consent of the other party. It also aimed at reaching a unification framework for agreement for future right holder companies to enter into joint explorations of maritime blocks.

On 24 April 2014, Israel announced the end of US mediation. US deputy assistant secretary for energy diplomacy, Amos Hochstein, denied this claiming that discussions are actually progressing.
2. Delimitation of Lebanon’s EEZ

As a party to UNCLOS, Lebanon adopted its principles & methods that have been explained in section III.

2.1 What are Lebanon’s Maritime boundaries and limits?

The EEZ northern boundary begins at point 7 that falls north of Al-Anida river and extends southwards to include point 23 which lies 133 kilometers from the southern coastal area of Ras Naqoura, which marks the land border between Lebanon and Israel, at an average angle of 291 degrees.

2.2 How did Lebanon demarcate its EEZ?

The delimitation process was conducted by the Lebanese Army cartographers and assessed in September 2011 by the United Kingdom Hydrographic Office (UKHO) that confirmed the geographic coordinates and charts as drawn by the army. The process included several geographic and legal phases as follows:

Phase 1: Determining the coastline: since it is the reference point for measuring all maritime limits. The coastline includes the mainland and any islands over which the state has sovereignty. This phase has a geographical as well as a legal component whereby bilateral border agreements between neighboring countries are taken into consideration.

Accordingly, Lebanon’s coastline begins at Al-Arida point and extends towards Ra’a Naqoura, the first point on the 1949 Israeli-Lebanese General Armistice Agreement table of coordinates, to point 23, that is equidistant between the three countries concerned, and on the coordinates of which all must agree.4

Thus, the charts and list of geographical coordinates that Lebanon submitted to the UN are based on the internationally recognized borders of Lebanon as per the Paulet-Newcombe Agreement of 1922 that was reestablished in the Armistice Agreement signed between Lebanon and Israel in 1949. This is a clear indication that Lebanon still has reservations on the so-called blue line that infringes on the Lebanese villages of Sheba’a, Rmeish, and Oadasah-Mutillah.2

The 2011 law on the delimitation of Lebanon’s EEZ however, stipulates that the equidistant point between the three countries is Lebanon’s lowest possible boundary.3 This implies the possibility of extending Lebanon’s southwest boundary to a point further south to point 23.

Phase 3: Applying the equidistant method.

When drawing the median line between Lebanon and Cyprus according to the equidistant method (refer to section 2.1), it is not clear whether the Lebanese army relied on the straight baseline of Cyprus to calculate the mid area between Lebanon and Cyprus, or on the base points that Cyprus has declared to the UN according to the UNCLOS bulletin. This information has not been made available to the public and is thus beyond the scope of this research.

Phase 4: Reaching agreements with opposite and adjacent states.

In January 2007, a bilateral agreement was signed between Lebanon and Cyprus. Though it was never ratified by Lebanon, it was ratified by Cyprus in 2009 (refer to section 3.3). No direct negotiations over a maritime boundary agreement took place between Lebanon and Israel given the state of enmity. Lebanon had sent several letters to Syrian counterparts, but no formal negotiations followed.

2.3 Is the maritime agreement between Lebanon and Cyprus valid?

In January 2007, a bilateral agreement was signed between Lebanon and Cyprus - never ratified by Lebanon but ratified by Cyprus in 2009 - in which the edges of the zones were marked by six coordinates judged to be equidistant between the two countries5.

Point 1 marked the southernmost extent of the boundary and Point 6 the northern limit. Included in the agreement was a clause that left open the possibility of amending Point 1 and 6 in light of future delimitation of the EEZ with other concerned neighboring states, meaning Israel to the south and Syria to the north.

The agreement was not ratified by Lebanon in order to maintain diplomatic relation with Turkey, who disapproves any agreement that does not include the Turkish-Cypriot part of the island. By signing the agreement, Lebanon has demonstrated its intention of examining it domestically. Nevertheless, the fact that Lebanon did not ratify the agreement entails that it is not legally binding to Lebanon.

2.4 What are the legal flaws in the Lebanese - Cypriot agreement of 2007?

Legal experts maintain that by following the equidistant method or median line method, Lebanon has lost some of its EEZ areas in the North and South, and that a combination of the Equidistant and Equitable principle would have been more in line with international jurisprudence.

Also, when designating the EEZ borders with Cyprus, Lebanon mentioned point 1 as its initial west southern border point with Cyprus. In fact, point 1 is around 10 miles away from point 23. This retreat happened with the view that the adjacent area that includes point 23 is the equidistant point between Lebanon, Cyprus and Israel, and thus should be subject to agreements with the relevant parties as per article 74 (1)
Legal Issues Concerning Lebanon’s EEZ

On July 11, 2011, Cyprus’ Ambassador handed an official memorandum to the Lebanese Minister of Foreign Affairs that assures the cooperation of Cyprus with Lebanon to conclude all the unresolved issues and guarantee Lebanon’s rights.

Nevertheless, in March 2012, the Cypriot Ministry of Foreign Affairs declared that Cyprus is bound by both the Lebanese and the Israeli agreements and that it is not responsible for the correction of any mistake that was committed by the Lebanese. Cyprus reiterated that it will not amend the EEZ agreement except following a tripartite agreement that includes Israel.

Lebanese Parliament Speaker, Berri, had visited Cyprus earlier in March 2012 and assured that Lebanon can ratify the EEZ agreement with Cyprus shortly once the dispute with Israel over the southern maritime border of Lebanon is resolved.

2.5 How does an agreement between Cyprus and Israel impact the maritime boundaries of Lebanon?

Israel claims that the EEZ boundary begins from Ra’s Naqoura (albeit 35 meters north of Lebanon’s starting point) and stretches 127 kilometers at 298 degrees to terminate at Point 1, which lies 17 kilometers north-east of Lebanon’s Point 23.

In December 2010, two months after Lebanon submitted its southern maritime boundary proposal to the UN, Israel signed an agreement with Cyprus on their own EEZ. The agreement consisted of 12 geographical points defining the edges of their EEZ. The first boundary marker in the agreement was placed in exactly the same location as point 1 in the Lebanon - Cyprus EEZ agreement.

As such, Israel’s EEZ delimitation has infringed on at least 854 square kilometers of Lebanon’s EEZ, that is the area stretching between Lebanon’s point 23 and point 1.

Even though the agreement between Israel and Cyprus is not binding towards Lebanon, it defies the object and purpose of Cyprus’s prior agreement with Lebanon before its entry into force. This is a violation of article 18 of the Vienna Convention on the Law of Treaties concerning the obligation not to defeat the object and purpose of a treaty prior to its entry into force.

Nevertheless, article 1 (e) of the agreement between Cyprus and Israel stipulates: “Taking into consideration the principles of customary international law relating to the delimitation of the Exclusive Economic Zone between States, the geographical coordinates of points 1 or 12 could be reviewed and/or modified as necessary in light of a future agreement regarding the delimitation of the Exclusive Economic Zone to be reached by the three States concerned with respect to each of the said points.” The Cypriot-Israeli agreement may as such be amended to reflect the correct maritime boundaries of Lebanon.

2.6 Is it relevant that Israel did not sign UNCLOS?

Israel is party to the 1958 conventions on the law of the sea and is bound by its provisions. The 1958 Conventions did not put forward the concept of the EEZ, but provided that coastal states were entitled to special rights in coastal areas such as the continental shelf. (refer to section III- point 7. How is the continental shelf delimited.)

Israel is not party to the UNCLOS and as such is not bound by its provisions. However, maritime issues depend on a variety of sources of international law which includes customary international law. Certain aspects of the UNCLOS have become accepted as customary international law since there has been a consensus on their applicability.

This has been the position of the ICI in the case concerning the continental shelf between Libya and Malta, whereby the full bench of the ICI took careful account of certain aspects of the UNCLOS as evidence of customary international law.

Also, in the same case, the ICI held that: “It is incontestable that the EEZ is shown by the practice of States to have become part of customary law.”

The court had thus found that the rules that govern the EEZ are rooted in state practice and customary international law in 1985 - that is, even before the UNCLOS entered into force in 1994.

Based on the above, Israel is bound by maritime customary international law that is influenced by certain provisions of the UNCLOS.

2.7 What is the extension of Lebanon’s continental shelf?

According to geologists, Lebanon’s continental shelf is very narrow with a width of 10 km that drops down abruptly to water depths of 1500m. Lebanon’s right over its continental shelf is ipso jure - that is, Lebanon has an inherent right over its continental shelf that does not need to be proclaimed in order to come into existence. This is stipulated in article 77 (3) of the UNCLOS. “The rights of the coastal State over the continental shelf do not depend on occupation, effective or notional, or any express proclamation.”

Also, in the North Sea Continental Shelf case, the ICI held that: “the rights of the coastal state in respect of the area of continental shelf that constitutes a natural prolongation of its land territory into and under the sea exist ipso facto and ab initio, by virtue of its sovereignty over the land, and as an extension of it in an exercise of sovereign rights for the purpose of exploring the seabed and exploiting its natural resources. In short, it is an inherent right.”

The Lebanese law number 163 concerning the delimitation and proclamation of the Lebanese republic maritime Areas states in article 8 that the Lebanese continental shelf includes the immersed seabed and its interior that naturally extends beyond the territorial sea and up to a distance of 200 nautical miles as per provisions of international law.
### 3. Conflicting Claims

A US survey that was published in 2009 indicated the presence of around 1.22 trillion cubic feet of gas and 1.7 billion cubic meters of oil in an area off the coasts of Israel, Gaza, Lebanon, Cyprus and Syria known as the Levantine basin. The Israelis were quick to announce its gas discoveries stirring a series of reactions from Lebanon and other neighboring countries. The tension is already high on oil and gas fields with a potential for future conflict. This section maps the positions of countries involved to portray potential conflict indicators.

#### 3.1 Position Mapping of Countries Claiming Maritime Rights

<table>
<thead>
<tr>
<th>Country</th>
<th>Claiming Rights</th>
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<tbody>
<tr>
<td>Lebanon</td>
<td>Middle Eastern and Mediterranean waters</td>
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<tr>
<td>Cyprus</td>
<td>Eastern Mediterranean and Cypriot EEZ</td>
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<tr>
<td>Israel</td>
<td>Exclusive Economic Zone (EEZ)</td>
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<td>Syria</td>
<td>Mediterranean Sea</td>
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#### 3.2 Legal Issues Concerning Lebanon's EEZ

<table>
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<td>President of Cyprus Demetris Christofias (04/11/2011)</td>
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Our navy attack ships can be there at any moment."

- Turkish Ministry of Foreign Affairs spokesman Selçuk Ünal (23/9/2011): "We will oppose any unilateral decision by Cyprus and Lebanon."

United Nations:

- In its reply to the request of Lebanon's Foreign Minister to exert every possible effort to deter Israel, U.N. spokesperson Martin Nesirky said (4/11/2011): "The mandate (of U.N. Security Council Resolution 1701) is very specific on what UNIFIL does including its maritime component, and it is also fairly specific that it does not include delineating lines - maritime lines".5

Nevertheless, the UN Special Coordinator for Lebanon Michael Williams (10/1/2011) stated that the country was entitled to benefit from its national energy resources, and that the UN would help the country mark its maritime border with Israel.6

UNIFIL Force Commander Major General Alberto Asarta Cuevas (July 2011) stated that UNIFIL will look into acting "as a barrier between Israel and Lebanon in an effort to demarcate the maritime security line, even though it's outside the scope of its mission."

- July 2011: UNIFIL proposed to act as a mediator between Lebanon and Israel in demarcating the maritime boundary and creating a maritime security zone.7

3.1.2 Positions on Lebanon's North and Northern West Borders

Lebanon:

- In October 2011, MP Mohammad Qabani announces that negotiations with Syria on maritime boundaries will begin soon.8

Syria:

- In June 2010, President Assad and President Suleiman discuss joint land and sea borderlines and agree to direct committees to complete the gathering of information and data by every side in prelude for initiating the process of defining and demarcation of these borders as soon as possible.9

No progress has been noted since the outbreak of violence in Syria.

4. Progress of Exploration and Production in the East Mediterranean

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Cyprus signed EEZ delimitation agreement with Egypt. Agreement not ratified yet.</td>
</tr>
<tr>
<td>2004</td>
<td>Renewal of petroleum and gas exploration Licences.</td>
</tr>
<tr>
<td>2005</td>
<td>First exploration season draft.</td>
</tr>
<tr>
<td>2007</td>
<td>The presence of considerable gas reserves in offshore Lebanon is confirmed.</td>
</tr>
<tr>
<td>2008</td>
<td>Egypt commenced gas production in its onshore gas fields.</td>
</tr>
<tr>
<td>2009-2011</td>
<td>Further seismic surveys conducted by other companies. Data indicates the presence of considerable oil resources off Lebanon.</td>
</tr>
<tr>
<td>2010</td>
<td>Lebanon deposited the maritime boundary as per UNCLOS provisions.</td>
</tr>
<tr>
<td>2011</td>
<td>Oct. 2010: President Assad and President Suleiman discussed joint land &amp; sea borderlines and agree to direct committees to complete the necessary data gathering to initiate demarcation process.</td>
</tr>
<tr>
<td>2013</td>
<td>Lebanon sent a letter to the Secretary General of the United Nations.</td>
</tr>
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</tr>
<tr>
<td>2020</td>
<td>Lebanon sent a letter to the Secretary General of the United Nations.</td>
</tr>
</tbody>
</table>
Seismic Surveys
In 2005, and in cooperation with the Ministry of Petroleum and Mineral Resources, CGGVeritas acquired, processed and interpreted regional 2D seismic survey over offshore Syria.

1st Licensing Round 2007
• One Bid was submitted
• No Blocks were awarded

2nd Licensing Round March 2011
The Syrian Ministry of Petroleum and Mineral Resources along with the General Petroleum Corporation (GPC) announced on the 28th March 2011 the opening of the International Bid Round 2011:
• All three offshore blocks were open for bidding. Each block covers an area of around 3000 cubic km.
• Closing date: October 2011. No blocks were awarded.

Break of Conflict in Syria 2011
With the sanctions imposed on Syria by the US and EU, many oil and gas companies halted their operations. Oil production in Syria stopped in early 2013 and that the rest of the country’s production was down to 15,000 barrels per day. The only oil companies still operating in Syria as of September 2013 were Hayan Petroleum and the Elba Petroleum Company, without their IOC partners.

Israel Petroleum Rights and Offshore Hydrocarbon Fields

CURRENT PRODUCTION
1. Tamar Field
   • Block: 350/349 (divided into sub fields)
   • Discovered: December 2010
   • Estimated gas discoveries: 450 bcm
   • Commercial Production: 2016 - 2017
   • Right: License 14/02/2014-13/02/2044

2. Leviathan
   • Block: 106
   • Discovered: January 2009
   • Estimated gas discoveries: 1.2 Tcf
   • Commercial production: March 2013
   • Right: Lease: 02/12/2008 - 01/12/2018
   • Consortium: Noble Energy Mediterranean Ltd. / Avner Oil Ltd. Partn. / Delek Drilling Ltd. Partn. / Israeli Edison
   • Lease granted to the license holder, if he has been discovered in commercial quantities. The lease maximum period is 15 years.

Planned Production
1. Leviathan
   • Block: 310/314 (divided into sub fields)
   • Discovered: December 2010
   • Estimated gas discoveries: 450 bcm
   • Commercial Production: 2016 - 2017
   • Right: License 14/02/2014-13/02/2044
   • Consortium: Noble Energy Mediterranean Ltd. / Avner Oil Ltd. Partn. / Delek Drilling Ltd. Partn. / Israeli Edison
   • License is granted to the license holder, if he has been discovered in commercial quantities. The lease maximum period is 15 years.

Recent Explorations
1. Tanin
   • Block: 364/365
   • Discovered: February 2012
   • Estimated gas discoveries: 1.2 Tcf
   • Commercial Production: 2016 - 2017
   • Right: Lease: 02/12/2008 - 01/12/2018
   • Consortium: Noble Energy Mediterranean Ltd. / Avner Oil Ltd. Partn. / Delek Drilling Ltd. Partn.
   • Italian Edison interested in acquiring Tanin from Noble and Delek.

2. Dolphin
   • Block: 351
   • Discovered: 2011
   • Estimated gas discoveries: 0.08 Tcf
   • Commercial Production: 2016 - 2017
   • Right: Lease: 02/12/2008 - 01/12/2018
   • Consortium: Noble Energy Mediterranean Ltd. / Avner Oil Ltd. Partn. / Delek Drilling Ltd. Partn.

3. Karish
   • Block: Alon C/366
   • Discovered: May 2013
   • Estimated gas discoveries: 1.6-2 Tcf
   • Commercial Production: 2016 - 2017
   • Right: Lease: 02/12/2008 - 01/12/2018
   • Consortium: Noble Energy Mediterranean Ltd. / Avner Oil Ltd. Partn. / Delek Drilling Ltd. Partn.
Ministry of Energy and Water Lebanon

Legal Issues Concerning Lebanon’s EEZ

1st Licensing Round

- 3 applications were submitted.
- 1 Exploration Licence was awarded for Block 12.
- Block 3 and 13 were excluded.

2nd Licensing Round

- All Blocks were offered (except Block 12).
- 15 bids were submitted: 9 from companies and 10 from joint ventures from 15 different countries, including the USA, Norway, Canada, France, Italy, Australia, South Korea and Israel.

First Licensing Round

- February 2012: Petroleum Law enforced.
- Delimitation agreements with neighboring countries, Pending.
- October 2013: Parliament endorsed law on the delimitation with Occupied Palestine to the UN.

Petroleum Rights

- Exploration License: granted for an initial period of three years and may be renewed for up to two terms, each term not exceeding two years. On each renewal of the term of the exploration period, the license holder shall at least 25% of the initial area of the licensed area.

- Exploitation License: granted for a period not exceeding twenty-five years and may be renewed for a maximum of ten years. Blocks 3 & 9 awarded to the consortium of Italy’s ENI and South Korea’s KOGAS. Signature bonus of €150 million.

- Reconnaissance License: granted for up to three years; shall not be exclusive and shall not give the Right Holder any preference with regards to obtaining any other Petroleum Right; the resulting data shall be the property of the State.

- Production License: granted for the production phase which is up to 30 years.

- Transfer or assignment of Petroleum Rights may be contracted.

Seismic Surveys

In 2004, in cooperation with the Ministry of Commerce, Industry and Tourism of the Republic of Cyprus, PGS acquired, processed and interpreted regional 3D and 2D seismic surveys offshore Cyprus.

1st Licensing Round 2007

- 11 Blocks (46,000 km²) were on offer.
- Block 5 and 13 were excluded.
- 3 applications were submitted.

Exploration Block 12

- Estimate: 7 TCF of gas, with a probability of 40%.
- September 2011: First Exploration Well.
- December 2011: Discovery of Aphrodite Well.
- December 2015: Cyprus government agrees to transfer 50% of Block 12 rights to Avner and Delek Drilling equally. Delek and Noble Energy are also partners in Lebanon, Israel.

2nd Licensing Round March 2011 Onwards

- All Blocks were offered (except Block 12).
- 15 bids were submitted: 9 from companies and 10 from joint ventures from 15 different countries, including the USA, Norway, Canada, France, Italy, Australia, South Korea and Israel.
- Four consortia won the tenders: 24 January 2013: Blocks 2, 3 & 9 awarded to the consortium of Italy’s ENI and South Korea’s KOGAS. Signature bonus of €24 million.

Lebanon Petroleum Rights and Offshore Hydrocarbon Fields

Seismic Surveys

According to Petroleum Geo-Services, the deep water area of offshore Lebanon is the Eastern Mediterranean covers more than 20,000 sq. km and offers a variety of unexplored hydrocarbon plays, including the Syriac Arc, the Levantine Basin and the Levant Margin.

First Licensing Round

First licensing round was opened in 2013. Awards are expected by November 2014. Operators qualified for bidding include: Anadarko International O&G Company (USA), Chevron East Mediterranean Exploration and Production Ltd. (USA), Eni International BV (Italy), ExxonMobil Exploration and Production Lebanon Ltd. (USA), Total S.A (France), Statoil ASA (Norway), Total S.A (France), Petrobras International Braspetro BV (Brazil), Petrochina (China), Sinopec (China), Repsol Exploración SA (Spain), Shell Exploration and Production (E&P) BV (Netherlands), Statoil ASA (Norway), Total S.A (France).

Oil and Gas Milestones

- January 2007: Signature of EEZ agreement with Cyprus.
- October 2013: Lebanon submitted EEZ boundary coordinates with Occupied Palestine to the UN.
- August 2011: Parliament endorsed law on the delimitation with Lebanon’s EEZ.
- October 2013: Appointment of Petroleum Administration.
- 2013: Opening of 1st licensing round.

Pending

- Oil and Gas agreements with neighboring countries.
- Maritime legislation in conformity with UNCLOS.
- Licensing strategy (shape of blocks, etc).
- Bidding items (profit share, work program, recovery ceiling).
- Long-term strategy: Gas Policy (domestic consumption, infrastructure, etc).

Petroleum Law

- Awaiting signature.
- Granted for up to 3 years; Shall not be exclusive and shall not give the Right Holder any preference with regards to obtaining any other Petroleum Right.
- The resulting data shall be the property of the State.

Exploration License

- The Exploration phase is up to 10 years. The duration of each phase is stipulated in the EPA.
- On each renewal, at least 50% of the initial area is relinquished.
- Transfer or assignment of Petroleum Right may be granted by the Council of Ministers.

Production License

- The production phase is up to 30 years.
Impact of Exploration Activities by Oil and Gas Companies on Maritime Boundary Disputes and Right to Sovereignty over Natural Resources
1. Oil and gas activities and maritime delimitation in the case of disputed area

1.1 Does the licensing of oil and gas activities determine a state’s sovereign rights over the delimitation of its territory or that of the neighboring state?

The discovery of oil and gas increases exponentially the strategic and economic importance of territorial delimitation and in some cases it has played an important factor in promoting maritime delimitation. However, in the case of disputed area, oil and gas activities and concessions in themselves cannot be considered as determining factors in delimiting a maritime boundary. There is no requirement in the delimitation process to respect any limits which are set out under a concession or licensing agreement. Concessions or licensing are only relevant in the process of determining a state’s sovereign rights over the delimitation of its territory or that of the neighboring state, if they are further to an express or tacit agreement between the states concerned.

1.1.1 International Jurisprudence

Case 1: Guyana v Suriname
In the Guyana v Suriname arbitration, Guyana contended that the delimitation line should follow an “historical equidistance line” along an azimuth of N34 3E from Point 61 for a distance of 12 nautical miles to a point at the outer limit of the territorial sea. Guyana argued that there was no justification admissible under Article 15 of the Convention for departing from the provisional equidistance line in Suriname’s favor, and that the conduct of the parties granting oil concessions should determine the final location of the boundary line.

The Permanent Court of Arbitration (PCA) rejected the argument put forward by Guyana that the conduct of the parties granting oil concessions should determine the final location of the boundary line, holding that “the cases reveal a marked reluctance of international courts and tribunals to accord significance to the oil practices of the parties in the determination line.”

Case 2: Greece v Turkey
In the Aegean sea continental shelf dispute between Greece and Turkey, Greece expressed in its case to the International Court of Justice (ICJ) “… that Turkey is not entitled to undertake any activities on the Greek continental shelf, whether by exploration, exploitation, research or otherwise, without the consent of Greece, and that the activities of Turkey described constitute an infringement of the sovereign and exclusive rights of Greece to explore and exploit its continental shelf or to authorize scientific research respecting the continental shelf.” The ICJ rejected the argument put forward by Greece stating that “it is clear that neither concessions unilaterally granted nor exploration activity unilaterally undertaken by either of the interested States with respect to the disputed areas can be creative of new rights or deprive the other State of any rights to which in law it may be entitled.”

Case 3: Cameroon v Nigeria
In the Cameroon v Nigeria, Cameroon filed an application with the International Court of Justice requesting that it determines the question of sovereignty over the oil-rich Bakassi Peninsula and to specify the land and maritime boundary between the two states.

Reviewing the relevant facts the Court held that the oil practice of the Parties are not a factor to be taken into account in the maritime delimitation in the present case “… although the existence of an express or tacit agreement between the parties on the sitting of their respective oil concessions may indicate a consensus on the maritime areas to which they are entitled, oil concessions and oil wells are not in themselves to be considered as relevant circumstances justifying the adjustment or shifting of the provisional delimitation line. Only if they are based on express or tacit agreement between the parties may they be taken into account. In the present case there is no agreement between the Parties regarding oil concessions.”

Conclusion:
According to international jurisprudence, the existence of oil fields and the practice of state parties over these fields do not qualify as ‘special circumstances’ and as such oil concessions granted over these fields do not affect the delimitation of maritime boundaries, nor does it justify the adjustment of the equidistant line that divides the maritime zones between countries.

An exception to this principle lies in the existence of an express or tacit agreement concerning oil and gas practices between the Parties.

1.2 What comprises a tacit or express agreement between two states over the licensing of oil and gas activities and when does such an agreement affect the delimitation of maritime boundaries?

Given the gravity of establishing permanent boundaries and the importance of ensuing sovereign rights, agreements between countries are not easily presumed. For example, a de facto line might in certain circumstances correspond to the existence of an agreed legal boundary or might be more in the nature of a provisional line or of a line for a specific, limited purpose, such as sharing a scarce resource. Even if there had been a provisional line found convenient for a period of time, this is to be distinguished from an international boundary.

The International Court of Justice has taken into account the granting of oil concessions in the delimitation of maritime borders, only if there is solid evidence for a tacit agreement and after carefully considering the parties’ conduct.

1.2.1 International Jurisprudence

Case 1: Indonesia v Malaysia
In the Indonesia v Malaysia case, particularly regarding sovereignty over Ligitan/Sipadan, the International Court of Justice (ICJ) considered the context in which State actions took place before presuming the existence of a tacit agreement between the two States.

When granting oil concessions, the Parties relied on a boundary line that was fixed in the 1891 Convention between Great
2. Oil and gas companies and maritime delimitation

2.1 What activities can be carried out by companies in disputed areas and to what laws are they subject to?

When operating in disputed areas, companies are not only subject to the laws and regulations of the host state and the terms and conditions of their contracts, but they will also have to take into consideration that when operating in disputed waters, certain activities may not be permitted as a matter of international law.

Where a boundary is disputed, the Guyana v Suriname arbitration has set out the parameters within which oil-and-gas-related activities may be carried out: “In the context of activities surrounding hydrocarbon exploration and exploitation, two classes of activities in disputed waters are therefore permissible. The first comprises activities undertaken by the parties pursuant to provisional arrangements of a practical nature. The second class is composed of acts which, although unilateral, would not have the effect of jeopardizing or hampering the reaching of a final agreement on the delimitation of the maritime boundary.”

2.2 To what extent does unresolved territorial delimitation affect the entry of Oil and Gas companies? How do companies mitigate risks/conflict related to maritime delimitation?

The existence of disputed areas does not stand as a criterion by itself to define the entry of the oil and gas companies. In areas where there are abundant hydrocarbon resources neighboring or straddling an undefined or disputed boundary, oil and gas companies undertake a full evaluation of the risks involved in advance of committing their resources and commercial reputations. Whilst it is not possible to predict with certainty how a boundary may be delimited or what the outcome of a dispute may be,
various safeguards can be considered by oil and gas companies in order to mitigate the very real economic and commercial risk of operating in disputed waters including the following:

2.2.1 Due diligence

The first step for an oil and gas company being granted a concession or awarded licensing rights is to check the status of the contract area. A state’s right to grant rights over its hydrocarbon resources can only be exercised within its own boundaries therefore:

• If the contract area belongs to the host state and this is confirmed by way of an undisputed treaty, judgment or arbitral award, then this should provide a degree of legal certainty going forward.

• If there is a determination that all or part of the contract area does not lie within the maritime borders of the host state, this could lead to the license holder losing rights in so far as the rights do not lie in an area which is within the boundaries of the host state. Moreover the neighboring state could demand that any activities be discontinued and/or impose penalties against a company which has been illegally operating in its territory. In this case, the potentially applicable laws of any relevant neighboring states should be assessed.

• If the contract falls within an area which has not yet been delimited and/or potentially neighbors or crosses disputed boundary, this will necessitate a more detailed assessment of the risks and uncertainties involved (potential for settling the dispute, political relations between the concerned states, legal principles that may be applied and the technical difficulties in delimiting the boundary in question)\footnote{1}

• On 24 February 2004, Guyana initiated arbitration proceedings concerning the delimitation of its maritime boundary with Suriname, and concerning alleged breaches of international law by Suriname in disputed maritime territory. Suriname demanded through diplomatic channels that Guyana cease all oil exploration activities in the disputed area, and ordered the company that was granted a concession for seismic testing by Guyana, to immediately cease all activities in the disputed area. Guyana responded to Suriname that according to its position, the maritime boundary between Guyana and Suriname lay along an equidistance line. Two patrol boats from the Suriname navy approached the company and ordered its service vessels to leave the area. The company that was granted concession by Guyana did not since return to the concessions area.\footnote{3}

2.2.2 Contractual safeguards:

Although host state governments may be reluctant to grant additional provisions to protect companies, where there is doubt as to the territorial scope of the contract area, companies can seek to negotiate safeguards such as following:

• If there is a territorial or boundary dispute which involves the contract area, there should be no breach of the contract by the company and the host state should not apply any penalties.

• If it is determined that all or part of the contract area does not lie within the boundaries of the host state, the contract should include an indemnity by the host state indemnifying the company for any losses due to such circumstances.

• The company’s obligations, in so far as they are affected or put at risk by a boundary determination, should be suspended and the contract should remain in full force until the boundary dispute is resolved.\footnote{3}

2.2.3 Contracting with both states

Oil and gas companies can consider the possibility of contracting with both the original host state and the claimant neighboring state. In practice, however, this is often not realistic options, since each state may believe it has legitimacy claim to the whole contract area and there may also be political objections, particularly in unfriendly relations. Given the potential loss of revenue from a reduced contract area, states may be reluctant to be part of such an arrangement.

Noble Energy, a US owned company, and its partners have in fact been contracted by both Israel and Cyprus. Noble energy has been operating in Israeli waters since 1998 and has made discoveries in wells that include for example Tamar, Leviathan, Dalit, Dolphin, and Karish. In October 2008, Noble received a concession to explore Cyprus’s Block 12 that is located near the maritime boundary of both Lebanon and Israel. In August 2011, Noble entered a production sharing agreement with Cyprus and has been drilling since then.

1. Oil and Gas: A practical Handbook, op. cit., p. 23
2. A. Berlin, Managing Political Risk in the Oil and Gas Industries, Oil, Gas & Energy Law Intelligence, Vol. 1, No 2, March 2001
5. Energy Economist Roabi Barsali, Speaking at the European Mediterranean Oil & Gas Exploration and Production Summit, Larnaca, Cyprus, September 2012

2.2.4 Assistance to the host state government

Oil and gas companies can assist a host state government in understanding the legal complexities, commercial issues, economic analysis and technical problems. International oil and gas companies can provide information and data to support the delimitation of a boundary and/or resolving a dispute. While companies with international resources and technical expertise can be of positive assistance, the host state government will ultimately be the decision-making authority on the strategy it decides to pursue in relation to its boundaries.

2.3 Does political risk affect the entry of international oil companies (IOCs)? And what are mechanisms put in place to share/mitigate this risk?

One of the major considerations inherent in any international investment is the political risk represented by the host country\footnote{2}. Political risk has largely been defined as risk that involves all non-business risks, that have the potential to change the prospects of the profitability of a given investment\footnote{2}. Although some studies suggest that political instability has not deterred some IOCs from investing in a country and may even have been beneficial to the company\footnote{4}, heightened political risk is still considered as a factor that would dissuade international oil companies (IOCs) from investing into new projects in the affected region\footnote{4}. However, various mechanisms have been developed.
to share or/and mitigate the political risk with the private companies:

2.3.1 Political Risk Management

When evaluating a prospective investment in a foreign country and following geological and economical assessment, the company assesses the political risk inherent in a particular investment to determine if that risk can be managed in an acceptable way. The degree of willingness to accept political risk varies from company to another. There is also a direct relation between the degrees of political risk that a company is willing to accept and the degree of its potential resources in the contract area.

Various indicators are looked at by companies when assessing the degree of political risk in a particular country: the current activity in the host country that is affecting or is likely to affect the stability of the government, prospect for change of national or local government, past history of nationalizations/expropriations, experience of other companies in the country, political activity and trends in the region, the overall economic condition of the country, etc.

Generally, in assessing political risk, two distinctions are made: firm-specific political risks and country-specific political risks.

Firm-specific is directed at a particular company for example the risk that a government will nullify its contract with the firm or that an armed group will target the firm’s physical operations.

On the other hand, country-specific political risks are not directed at a specific company but are countrywide, for example a government’s decision to forbid currency transfers or the outbreak of a civil war within the host country.

While investor can reduce the impact of firm-specific risks (include strong arbitration language in the contract, on-site security, etc.), firms however have much less control over the impact of country-level political risks on their operations, where the only way to avoid it is to stop operating in the country in question.

The second distinction made is between government risks and instability risks. Government risks are those that result from the actions of a governmental authority, whether used legally or not.

While on the other hand, instability risks are the result of political power struggles, for example conflicts between members of government, civil war, and conflict with neighboring countries.

2.3.2 Political Risk Insurance

Mitigating risk can be accomplished through the provision of political risk guarantees, which provide financial coverage for financial losses caused by political upheavals. Private Insurance companies as well as bilateral state agencies and international agencies, offer political risk guarantees to IIOC’s in politically high risk areas.

World Bank, Multilateral Investment Guarantee Agency (MIGA)

MIGA is a member of the World Bank Group. MIGA’s guarantees act as a catalyst to restore market confidence for investors. MIGA encourages developmentally beneficial investment by providing political risk insurance (PRI) against the risks of currency inconvertibility and transfer restriction; expropriation; war, terrorism, and civil disturbance; breach of contract; and non-honoring of sovereign financial obligations. MIGA requires that the company making the investment be in a MIGA “member country” and the investment be made in a MIGA “member country.”

The agency also helps resolve disputes between investors and host governments to keep MIGA-supported projects and their benefits on track. The agency also works closely with its private and public sector reinsurers to maximize the insurance capacity that MIGA can bring to a project. By fronting transactions, MIGA provides access to insurance capacity that otherwise would not have been available to clients and host countries.

Since its inception, MIGA has provided more than $27 billion in guarantees (PRI) for more than 700 projects in over 100 developing countries. MIGA currently has an outstanding guarantees portfolio of over $10 billion. In response to events in the Middle East and North Africa, MIGA swiftly launched an initiative for the region to mobilize $1 billion in insurance capacity, including $500 million of its own capacity, to help retain and encourage FDI in the region. MIGA has also stepped up outreach to investors and lenders and is sharing global experience on managing political risks.

United State Overseas Private Investment Corporation (OPIC)

OPIC is the U.S. Government’s development finance institution. OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets, by providing investors with financing, guarantees, political risk insurance, and support for private equity investment funds. Political risk insurance provides various risk-mitigation products to cover losses to tangible assets, investment value, and earnings that result from political perils including: Currency Inconvertibility, Expropriation, Political Violence and more targeted specialties products.

Political Violence coverage compensates investors for equity assets (including property) and income losses caused by Declared or undeclared war, Hostile actions by national or international forces, Revolution, insurrection, and civil strife and Terrorism and sabotage. OPIC pays compensation for two types of losses: Assets (Damage to covered tangible assets), and Business Income (Income losses resulting from damage to assets of the foreign enterprise caused by political violence/terrorism).

United Kingdom, Export Credits Guarantee Department (ECGD)

ECGD aims to benefit the UK economy by helping exporters of UK goods and services to win business, and UK firms to invest overseas, by providing guarantees, insurance and reinsurance against loss, taking into account UK’s wider international policy agenda. The largest part of ECGD’s activities involves underwriting long term loans to support the sale of capital goods, principally for the export of aircraft,
Impact of Exploration Activities by Oil and Gas Companies on Maritime Boundary Disputes and Right to Sovereignty over Natural Resources

2.3.3 Sharing risk with the government
Governments could agree to share the risk with the IOC’s by entering into joint ventures with them. In such an arrangement, the government would take a significant equity stake in the venture but would sell its interest over time to private parties, including its IOC partner. Once the right circumstances and reserves have been proven, the states in questions would be able to obtain financing from both commercial and development banks in the region, as well as from multilateral financial institutions, such as the World Bank and the European Investment Bank.

2.3.4 Joint development zone
Joint development as per state practice occurs where two or more states decide to cooperate by jointly managing the development of natural resources that cut across their actual boundaries or perceived boundaries. The main essence of a joint development is the realization that outright delimitation does not resolve all maritime boundary disputes, whether the said delimitation is a result of agreement of the States or delimitation resulting from decision of a third party dispute resolution. Even though the idea of joint development does not limit the real international maritime boundary, it plays a vital role in settling the maritime disputes in the absence of the agreement on delimitation of maritime boundary among the states with opposite or adjacent coastlines.

There are several reasons why states decide to go into joint development agreement and one of those reasons is when states decide to leave aside their political or ideological differences and cooperate towards harnessing their common natural resources to develop their economy or respond to the needs of domestic consumption.

Case 1: Japan and the Republic of Korea
In the case of Japan and Republic of Korea Agreement of 30 January 1975, the two parties agreed on the continental shelf boundary in the Sea of Japan and Tushima Strait, where the dispute between the two countries over the overlapping concession areas. Under joint development agreement, concessionaires, authorized by the two respective governments, have undivided interest with respect to each of the revenue defined sub-zones, and one operator is chosen from among the concessionaires so authorized for a particular sub-zone. This joint venture or consortium is not allowed for the exploration or exploitation of any of the sub-zones. In accordance with the article 19 of the agreement, the law and regulations of each Party shall apply with respect to matters relating to exploration and exploitation of natural resources in the sub-zones with respect to which the Party has authorized concessionaires designated and acting as operators. So, Japanese law is applied in a sub-zone where a Japanese concessionaire’s

1. www.ukexportfinance.gov.uk
2. Energy Economist Roudi Baroudi, Speaking at the European Mediterranean Oil & Gas Exploration and Production Summit, Limassol, Cyprus, September 2012
5. M. Miyoshi, Maritime briefing, Volume 2 Number 5

works as the operator, while in a adjacent sub-zone Korean law is applied because the operator there is concessionaire authorized by the Korean Government, the choice of the operator being made on an equitable basis. However, the law shifts from Japanese to Korean law and vice versa as the operator alternates between the concessionaires of the two governments for a sub-zone with the shift of work phase from exploration to exploitation. Expenses incurred in the exploration and exploitation phases are to be shared equally, and so are the natural resources extracted in a sub-zone, between the concessionaires of the two countries.

Case 2: Australia and Indonesia
In the case of Australia and Indonesia Treaty of 11 December 1989, the two parties agreed to establish the Zone of Cooperation which consists of three zones: Zone A under joint control, Zone B under Australian jurisdiction and Zone C under Indonesian jurisdiction. In the delineation of zone of cooperation, the Timor Trough and median line were used to ensure both the Australian position of natural prolongation and Indonesian median line principle. Indeed the Treaty provides that nothing in it shall prejudice the position of either country on a permanent continental shelf boundary or its sovereign rights in the Zone, and that the two countries continue their efforts for permanent boundary delimitation. The Treaty also states that after period of 40 years, it will continue in force for successive terms of 20 years unless the two countries agree on permanent boundary delimitation.

2.3.5 Unitizing reserves
Even where there is an agreed boundary, the development of hydrocarbon resources on either side of the boundary will be subject to differing domestic legal regimes and procedures applicable to their exploration and exploitation. The problem is exacerbated where there is a common reservoir. Technical problems can arise in apportioning the reserves and there is a risk that the operations on one side of the boundary can have a negative impact on the reserves on the other side of the boundary. Procedures for unitizing reserves have thus been adopted in many cases where such problems arise.

Unitization is an agreement to develop and produce petroleum as a single unit from two or more oil fields for which separate contracts, licenses or statutory authorization exists. Intra-state unitization integrates two or more contract areas within the territorial jurisdiction of a single state. By contrast, Inter-State unitization is the integration of contract areas across different state territories in the case where a reservoir falls partly into the two nations. Unlike Intra-State Unitization where oil companies enter into unitization agreement, in Inter-State Unitization the agreement is between the states though they will involve the IOCs. Inter-State Unitization is similar to a Joint Development Zone (JDZ); the main difference unitization is more applicable where boundaries have been delimited whereas in JDZ the delineating line between the nations may not have been determined.
Notable cases of Inter-State unitization are bilateral treaties between the United Kingdom and Norway. Bilateral treaties have been signed between the United Kingdom and Norway for the unit development of three oilfields on the North Sea - Frigg, Statfold and Munchison, with 60.82 percent of the resources located on the Norwegian side of the border, as well as the development of Marken field between the UK and Netherlands.

2.4 Can a claimant neighboring state use force against a company operating in the disputed area? And what are enforcement mechanisms that a state can resort to?

2.4.1 General principles of good faith and peaceful settlement of disputes

In cases of disputed territory, States are under a due diligence obligation to make every effort to prevent the aggravation of the dispute and not to hamper the final settlement. A due diligence obligation to that effect is codified in UNCLOS article 74 (3) and 83 (3) UNCLOS. It may incur international responsibility.

The first obligation - the obligation to make every effort to enter into provisional arrangements - consists of a legal obligation to actively try to enter into negotiations for addressing contingent issues pending final settlement of the delimitation dispute. The second obligation - the obligation not to hamper or jeopardize the final agreement - requires that a State involved in a maritime delimitation dispute refrains from acting in a way that would hamper the final settlement of the dispute.

In the Guyana/Suriname case, the Permanent Court of Arbitration considered that the "threat of the use of force" violated its obligation not to hamper or jeopardize the reaching of the final agreement. Evidently, the threat to use force for the solution of a dispute, not to mention its actual use, not only violates basic rules of international law such as article 2 (4) of the UN Charter, but also jeopardizes and probably hampers the final settlement.

1. See incidents mentioned in Guyana/Suriname Award (note 1), para. 457; Barbados/Trinidad and Tobago (note 62), para. 50 and 51, in Nicaragua/Honduras (note 65), para. 49, 52, 56, 64-66.
2. Barbados/Trinidad and Tobago (note 62), para. 270.

1. Guyana/Suriname Award (note 1), para. 480-484.
2. “Pending agreement as provided for in paragraph 1 (on the basis of international law), the States concerned, in a spirit of understanding and cooperation, shall make every effort to enter into provisional arrangements of a practical nature and, during this transitional period, not to act so as to hamper the reaching of the final agreement. Such arrangements shall be subject to the final delimitation.”
to the license holder losing rights in so far as the rights do not lie in an area which is within the boundaries of the host state.

While in the Guyana/Suriname case, the Tribunal considered that the "threat of the use of force" against the CGX company working on a concession in the disputed area, violated its obligation not to hamper or jeopardize the reaching of the final agreement, some legal arguments considers that the options enumerated by the Tribunal, which include entering into negotiations, bringing the case to a judge and requesting provisional measures, seem appropriate during the planning period, before any activity begins. However, prohibiting a State from enforcing its legislation against a company that is undertaking exploratory drilling in the continental shelf without license by it appears to take too much into account the interest of third parties and not sufficiently that of the coastal State. It is only when enforcement activities use force beyond the limited amount permitted under international law that the coastal State will be in breach of rules concerning the use of force and its actions may be considered in breach of the obligation not to hamper or jeopardize the final settlement1.

Accordingly, a State may incur international responsibility for the violation of the obligations under articles 74 (3) and 83 (3) of the UNCLOS, not so much for undertaking enforcement action in a situation of urgency, but rather for not having addressed the situation before, when lesser action could safeguard its rights, and for having thus contributed to its reaching the point when the only possibility to protect its rights was to apply forcefully its legislation2. If, on the other hand, a State has tried in good faith to address the situation earlier by other means, and notwithstanding such action is obliged to put in place enforcement action, it may not be responsible for the breach of articles 74 (3) and 83 (3) of the UNCLOS.

Thus, the valuation of the conduct of a state is done on a case by case basis, taking into account all the elements of the case and evaluating each action or inaction by a State in the framework of its general conduct since the beginning of the dispute3.

2.4.3 What are the consequences of breaching the obligation to enter a provisional arrangement and not to jeopardize a final agreement on the maritime boundary stated in UNCLOS articles 74 (3) and 83 (3)?

The consequences of breaching the above mentioned obligations are found in the Draft Articles on State Responsibility for Internationally Wrongful Acts.4 The first consequence of breaching UNCLOS articles 74(3) and 83 (3) is the obligation to cease the unlawful conduct that hampers reaching a final agreement on the maritime boundary and offer appropriate assurances and guarantees of non-repetition5.

The parties also remain under the continued duty to comply with UNCOS obligations as per articles 74 (3) and 83 (3); thus a State shall not withdraw permanently from negotiations aimed at reaching a final agreement over maritime boundaries. Nevertheless, a State can demand that the other State ceases its unlawful conduct as a condition to carry on with the negotiations.

The second possibility is recourse to countermeasures, that prompt the other State to comply with its obligations under UNCLOS articles 74 (3) and 83 (3).

According to article 49 (2) of the Draft Articles on State Responsibility for Internationally Wrongful Acts, countermeasures are limited to abstaining from fulfilling international obligations towards the State responsible for the breach in order to compel the latter to comply with its obligations. A State will therefore be authorized not to comply with its obligations under UNCLOS articles 74(3) and 83 (3) as a countermeasure, but only if there is non-compliance to these articles by the other State6.

Countermeasures are only permissible if they are proportionate7 and do not violate obligations provided by norms of international law, including the obligation to refrain from the threat or use of force8. Countermeasures are not permissible if they are conducted using more force than is legitimate, or are undertaken without due respect for human rights, or contrary to humanitarian principles, they will be inadmissible9 countermeasures without previous recourse to peaceful dispute settlement mechanisms stipulated in UNCLOS, because previous recourse to “all the amicable settlement procedures” before undertaking countermeasures has been expressly ruled out by the ILC while discussing State responsibility10.

The third possibility is in cases the conduct of a State has produced economic loss for the other party. It would then be possible to claim compensation along with ceasing unlawful conduct, guarantees for non-repetition and countermeasures.

In initiating proceedings against Myanmar, Bangladesh has requested the judge to “declare that by authorizing its licensees to engage in drilling and other exploratory activities in maritime areas claimed by Bangladesh without prior notice and consent, Myanmar has violated its obligations to make every effort to reach a provisional arrangement pending delimitation of the maritime boundary as required by UNCLOS articles 74(3) and 83(3), and further requests the Tribunal to order Myanmar to pay compensation to Bangladesh as appropriate”.11 However, a State might lose entitlement to compensation due to its own contribution to the injury. Alternatively, a State may not get compensation or may prefer not to ask for it, due to similar requests advanced by the other State. In Guyana/ Suriname, Guyana had originally asked the Tribunal to declare that “Suriname is under an obligation to provide reparation, in a form and in an amount to be determined”, while in its final submission, Guyana opted for not making any claims for compensation due to the breach of UNCLOS articles 74(3) and 83(3), asking instead only for declaratory relief, which is a court determination that the act of the defendant state is illegal12.
3. Case Law

PCA (Guyana v Suriname)

Background
Guyana and Suriname are situated on the northeast coast of the South American continent, and the coastlines of these States are adjacent. Guyana gained independence from the United Kingdom in 1966, while Suriname achieved independence from the Netherlands in 1975.

Both On 24 February 2004, Guyana initiated arbitration proceedings concerning the delimitation of its maritime boundary with Suriname, and concerning alleged breaches of internal law by Suriname in disputed maritime territory. (p.1 p.1): Suriname demanded through diplomatic channels that Guyana cease all oil exploration activities in the disputed area, and ordering CGX, a concession issued by Guyana for seismic testing, to immediately cease all activities in the disputed area. Guyana responded to Suriname that according to its position, the maritime boundary between Guyana and Suriname lay along an equidistance line. Two patrol boats from the Suriname navy approached CGX and ordered its service vessels to leave the area. CGX has not since returned to the concessions area (p.32 p.151).

On 20 May 2005, Suriname filed Preliminary Objections on jurisdiction and admissibility. In this respect the Tribunal held that it had jurisdiction to delimit the maritime boundary in dispute between the Parties and addressed the delimitation of the territorial seas and the single maritime boundary dividing the continental shelves and exclusive economic zones of the Parties (p.6 p.40).

Delimitation of Territorial Seas

Suriname argued that the delimitation of the territorial sea should process along an azimuth of N10°E from the 1936 Point/Point 61. This claim was based mainly on the existence of de facto agreement between the Netherlands and the United Kingdom, acquiescence of estoppel and consideration of navigation. (p.42 p.174) Guyana contended that the delimitation line should follow an ‘historical equidistance line’ along an azimuth of N34°E from Point 61 for a distance of 12 nautical miles to a point at the outer limit of the territorial sea. Guyana argued that there was no justification admissible under Article 15 of the Convention for departing from the provisional equidistance line in Suriname’s favor (p.41 p.169).

With respect to the law applicable to the delimitation of the territorial seas, the Tribunal ruled that Article 15 of the Convention places primacy on the median line as the delimitation line between the territorial seas between opposite or adjacent States. The Tribunal, then, examined special circumstances which might require the adjustment of the equidistance line. In this respect, the Tribunal ruled that special circumstance of navigation may justify deviation from the median line.

The Threat and Use of Force

In addition to maritime delimitations, Guyana sought reparations for Suriname’s threat to use force. According to Guyana, Suriname resorted to the use of force on 3 June 2000 to expel Guyana’s licensee, the Canadian oil exploration company CGX resources Inc.

The Tribunal held that the action mounted by Suriname seemed more akin to a threat of military action rather than a mere law enforcement activity. The Tribunal concluded that Suriname’s action constituted a threat of the use of force in violation of the Convention, the UN Charter and general international law. On the other hand, the Tribunal discarded Guyana’s claim for compensation since the damages were not proceed to the satisfaction of the Tribunal.

The Breach of the Obligations under Articles 74 (3) and 83 (3)

These provisions require the States concerned to make every effort to enter into provisional arrangements of a practical nature and, during this transitional period, not to jeopardize or hamper efforts to reach a final agreement. The Tribunal ruled that Suriname’s conduct did constitute a failure to meet its obligations under Article 74 (3) and 83 (3). Equally the Tribunal held that Guyana also violated its obligation in these provisions by leading up to the above-mentioned CGX incident. The Tribunal ruled that both Guyana and Suriname violated their obligations to make every effort not to jeopardize or hamper reaching a final delimitation agreement.
ICJ Aegean Sea Continental Shelf Case, 1976 (Greece v. Turkey)

Background

In June 1974, Turkey sent the Candarh, an oceanographic vessel, accompanied by several warships to explore parts of the Aegean where Greek and Turkish claims to the continental shelf overlapped. Athens’s reaction was diplomatic supported by the deployment of a small naval force. Prime Ministers Suleyman Demirel and Costas Karamanlis issue a joint communique in May 1975, agreeing to take the continental shelf issue to the ICJ and solve other problems through negotiations. In August 1976, Turkey sent the Sismik I, accompanied by a warship, to collect seismic data west of Greece’s Lesbos Island. This time, Greek armed forces were deployed intensively, backed by political and media upheaval. The two sides backed down after mediation led by the UK. In 1976, Greece then took the issue to the ICJ, which dismissed the case1.

Proceedings

On 10 August 1976 Greece instituted proceedings against Turkey in respect of a dispute concerning the Aegean Sea Continental Shelf. Greece requested the Court inter alia to declare what is the course of the boundary between the portions of the continental shelf appertaining respectively to Greece and Turkey in the area, and to declare that Turkey is not entitled to undertake any activities on the Greek continental shelf, whether by exploration, exploitation, research or otherwise, without the consent of Greece.

Greece also requested the Court to indicate interim measure of protection to the effect that the Government of both States should: (1) refrain, unless with the consent of each other and pending the final judgment of the Court, from all exploration activity or any scientific research with respect to the areas in dispute; (b) refrain from taking further military measures or actions which may endanger their peaceful relations.

At public hearings on 25, 26 and 27 August 1976 the Court heard observations presented on behalf of the Governments of Greece on its request for the indication of interim measures of protection. On 26 August the Turkish Government, which had not appointed an agent and was not represented at the hearings, communicated to the Registry of the Court certain written observation in which it submitted in particular that the Court had no jurisdiction to entertain the dispute and suggested that the request for interim measures be dismissed and the case removed from the list.

In justification of its request for interim measures Greece alleged: (a) that certain acts on the part of Turkey (the granting of petroleum exploration permits, the explorations of the vessel MTA Sismik I) constitute infringements of its exclusive sovereign rights to the exploration and exploitation of its continental shelf, and that the breach of the right of a coastal State to exclusivity of knowledge of its continental shelf constitutes irreparable prejudice, (b) that the activities complained of would, if continued, aggravate the dispute. Turkey contended: (a) that these activities cannot be regarded as involving any prejudice to the existence of any rights of Greece over the disputed area and that, even if they could, there would be no reason why such prejudice could not be compensated; (b) that Turkey has no intention of taking the initiative in the use of force.

So far as (a) is concerned, the Court, viewing the matter in the context of Article 41 of its Statute, is unable to find in the alleged breach of Greece’s rights such a risk of irreparable prejudice to rights in issue as might require the exercise of the power to indicate interim measures of protection. With regard to (b) the Court considers that it is not to be presumed that either Government will fail to heed its obligations under the United Nations Charter or fail to heed Security Council resolution 395 (1976) of 25 August 1976, wherein the two Governments were urged “to do everything in their power to reduce the present tensions in the area” and called on “to resume direct negotiations over their differences”.

Judgment

The Order, made by the Court in the Aegean Sea Continental Shelf case, found, by twelve votes to one, that the circumstances, as they presented themselves to the Court, were not such as to require the exercise of its power under Article 41 of its Statute to indicate interim measures of protection.

1. International Crisis Group, Europe Briefing N° 64, Istanbul/Athens/Brussels, 19 July 2011
Cameroon vs. Nigeria

Background

The conflict between Cameroon and Nigeria was a boundary and territorial dispute on the Bakassi Peninsula. Attempts were made in the past to resolve the dispute through bilateral negotiations, but in 1981, and again in 1993, 1994 and 1996, the dispute nearly escalated to a war. On March 29, 1994, Cameroon filed an application with the International Court of Justice requesting that it determine the question of sovereignty over the oil-rich Bakassi Peninsula and to specify the land and maritime boundary between the two states and to order an immediate and unconditional withdrawal of Nigerian troops from alleged Cameroonian territory in the disputed area.

Arguments and Proceedings

In its judgment of June 11, 1998, the Court rejected Nigeria’s seven preliminary objections alleging that the Court lacked jurisdiction and that Cameroon’s application was inadmissible, but it reserved the remaining, eight objection - relating to the parties’ maritime boundary - for consideration at the merits stage. The Court’s order of June 30, 1999, allowed Nigeria to introduce certain counterclaims, and its subsequent order of October 21, 1999, unanimously authorized Equatorial Guinea to intervene in the case as a nonparty.

Judgment

On October 10, 2002, the Court ruled, by 13 votes to 2, that sovereignty over the Bakassi Peninsula and the Lake Chad area lay with Cameroon. Upholding the validity of certain colonial arrangements invoked by Cameroon, the Court fixed, by clear majorities, the land boundary from Lake Chad in the north to the Bakassi Peninsula in the south. In fixing the portion of the maritime boundary between the two states over which it had jurisdiction, the Court agreed with Nigeria that the equidistant line between them produced an equitable result. It did not, however, specify the location of the point off the coast of Equatorial Guinea at which the maritime boundary between Cameroon and Nigeria terminates (the “tripoint”).

References

4. Court’s order at 1999 ICJ REP 183 (June 30) & 709 (Oct 21)
Conflict Prevention and Peaceful Mechanisms for Settlement of Lebanon’s Maritime Disputes
1. General Legal Options

1.1 What are the legal instruments that determine the general mechanisms of resolving disputes among states?

Article 2(4) of the Charter of the United Nations provides that: “All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.”

Chapter VI of the UN Charter on the Pacific Settlement of Disputes emphasizes several consent-based procedures to resolve disputes among states. These include: negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means of their own choice.

Article 35 of Chapter VI makes it possible for States to bring their dispute to the attention of the UN General Assembly or the UN Security Council if their dispute is likely to threaten international peace and security. Should the Security Council deem the dispute a threat to international peace, it shall recommend appropriate procedures for dispute settlement taking into consideration any settlement procedures already adopted by the parties and taking into consideration that legal disputes should as a general rule be referred by the parties to the International Court of Justice.

The 1970 Declaration on Principles of International Law Concerning Friendly Relations and Co-operation Among States also provides that: “States shall seek early and just settlement of their international disputes by negotiation, inquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means of their own choice.”

1.2 What dispute settlement options does the maritime conventions (UNCLOS and 1958 Maritime Conventions) provide?

a) UNCLOS Dispute Settlement Options

UNCLOS includes two types of dispute settlement mechanisms: mechanisms entailing non-binding decisions, and mechanisms entailing binding decisions. Mechanisms that entail non-binding decisions include:

- **Negotiations:** Article 74(1) of UNCLOS stipulates that the delimitation of a maritime boundary has to be “effected by agreement on the basis of international law.”

- **Exchange of views:** Article 283 of the UNCLOS provisioned that parties exchange views expeditiously regarding the mode of settling their maritime disputes by negotiations or any other peaceful method.

- **Good Offices:** Involves the use of a third party - a state, a group of states, an international organization or an eminent individual - to encourage the disputing parties to resolve their dispute and come to a settlement. Good Offices end when negotiations among the parties begin and the good officer does not participate in the negotiations.

- **Mediation:** Uses a third party - a state, a group of states, an international organization or an eminent individual - to settle the dispute. The mediator must have the confidence and consent of all parties, and must remain impartial and neutral. Unlike the good officer, the mediator may participate in negotiations.

- **Enquiry:** Refers to a particular type of international tribunal known as the commission of inquiry. The commission of inquiry and introduced by the 1899 Hague Convention. As the name itself explains, it focuses on fact-finding procedures. The Commission of enquiry may include a third party state that possesses advanced technical expertise that allows for a precise and reliable fact finding process.

- **Conciliation:** Involves elements of mediation and inquiry. However, it is more formal and less flexible than mediation.

A third party (a commission set up by the parties) investigates the facts of a dispute and submits a report containing a suggested terms of a settlement. Most conciliations were performed by commissions (as per annex V, Section 1 of the UNCLOS). They are free to choose the procedure to be followed and the applicable laws.

- **Special Arbitration:** A special arbitral tribunal of specialized experts may be constituted according to Annex VIII of the UNCLOS upon agreement of parties involved to address issues related to fisheries, protection and preservation of the marine environment, marine scientific research, or navigation, including pollution from vessels and by dumping.

b) 1958 Maritime Conventions Dispute Settlement Options

The four maritime conventions pass dispute settlement mechanisms to the Optional Protocol of Signature concerning the Compulsory Settlement of Disputes, which provides that disputes arising from the interpretation of the four conventions may be brought unilaterally before the International Court of Justice, unless the parties have agreed within a specific time limit - to resort to arbitration or to a preliminary conciliation procedure.
1.3 Are the above mentioned mechanisms mandatory or optional?
Dispute settlement mechanisms listed under chapter XV of the UNCLOS are mandatory. According to article 299 of the UNCLOS, parties to a dispute may agree at any time to any dispute settlement method of their choice.

Nevertheless, parties may make a declaration of exclusion that allows for withdrawal from the compulsory procedures when it relates to maritime boundary disputes, particularly related to the delimitation of the continental shelf, the EEZ and the territorial sea among opposite or adjacent states. To be exempt from the compulsory procedure, however, the state party should make the declaration of exclusion before the Convention enters into force.

Lebanon has not declared any reservations to UNCLOS and is hence bound by the dispute settlement mechanisms set under UNCLOS. Israel is not party to the UNCLOS, however, decisions of the ICJ have established certain aspects of UNCLOS as evidence of customary international law.

1.4 What are provisional options to settle the boundary dispute?
One option is a provisional arrangement. It is a temporary practical arrangement that is agreed upon pending final delimitation of the EEZ and continental shelf.

In principle, once a boundary is determined, it is meant to be permanent. However, on exceptional basis, states may establish temporary boundaries possibly in order to consider issues that may arise with other neighboring countries and that warrant further negotiations. For example, Tunisia and Algeria established a delimitation for only six years.

Though, once these arrangements expire, a dispute may arise over the same issues that were subject to a temporary agreement.

Another option is a joint development agreement. Joint development agreements are co-operative arrangements between states with overlapping EEZ or continental shelf to bring the common zones under a joint regime that allows for the exploitation of resources by the parties.

There are different types of joint development agreements. Sometimes one State runs the oil and gas operations in the area under its law and simply pays an agreed proportion of the net revenues to its partner, as is the case in the Bahrain-Saudi agreement. More usually, both States will be actively involved either directly or through a management Commission with legal personality that holds licensing rounds. This will especially be the case if the joint development arrangement is made after the agreement on a boundary, but before an oil or gas discover is made.

Some joint development zones operate by means of joint ventures between companies from the two parties.

The key features of areas for a joint development agreement are as follows:

- A treaty creating and defining the extent of the area. This is often but not always the area of the overlaps.
- A “without prejudice” clause, making clear that the arrangement is interim or provisional pending a final delimitation of the boundaries.
- Long duration (45 years in Nigeria/Sao Tome, with review after 30), because oil industry needs a long time span.
- The boundary can be agreed upon by negotiations during that time or at the end of the agreement.
- A system for exploitation and an agreed division of the production revenue (not always 50/50).

The Norwegian-Russian 40 years negotiations over the Barents sea is a relevant case study whereby the Norwegians refused to enter a joint development agreement concerning hydrocarbons before an agreement has been reached on the delimitation of their EEZs. Nevertheless, a provisional arrangements concerning fishing activities was quickly concluded in 1978 (also known as the Grey Zone Agreement) in order to ensure that fishing activities and fishermen are subject to the policing control of their respective countries.

The Norwegian government wanted to ascertain its sovereign rights as a matter of principle and as a matter of sovereign priority that precedes any exploitation of hydrocarbons, and as such did not opt for a joint development agreement. Nevertheless, the issue of preserving live marine resources took precedence over the delimitation dispute and prompted the conclusion of the Grey Zone provisional agreement in order to avoid legal uncertainty and policing disputes in an area that is very active with fishing activities, and in order to preserve the integrity of marine ecosystems.
1.5 How is a dispute settlement process designed?

Resolving international boundary disputes is a complex endeavor that often cannot rely solely on one mechanism such as adjudication for example, given that boundary disputes are often interlinked with division or sharing of natural resources. Hence, integrating various dispute settlement mechanisms may offer one approach for resolving multi-issue or multi-stakeholder cases.

Integrating settlement methods requires an evaluation of the subcomponents of these methods in order to foresee how they can be combined to achieve viable results. Combining rights-based processes (such as litigation) with interest-based processes (such as diplomacy negotiation or mediation) will probably achieve the complimentary effect that makes the settlement of the dispute more likely.

Examples of successful integrated settlement methods include the Cameroon-Nigeria case2 in 1961 and 1981, border disputes between the Cameroon and Nigeria resulted in armed conflict. Fighting continued in 1994 intermittently until 2000 when leaders from both countries agreed to pursue judicial settlement at the ICI. In October 2002, the ICI decided that Cameroon had sovereignty over parts of the disputed area. A commission composed of representatives from both countries and the USA was established to facilitate implementation of the court decision that is, to oversee Nigeria’s release of 32 villages to Cameroon with UN Secretary General, Anan, supporting the peace process. As such, the combination of adjudication by the International Court of Justice, facilitation by a commission that included representatives from the two States in addition to the USA, and the political support of the UN led to the resolution of the resource dispute and the armed conflict.

The Buraymi Oasis sovereignty and resources dispute between Saudi Arabia and Oman serves as another case study whereby adjudication was not employed, but rather an integrated approach that included mediation and facilitation3. Oman had begun oil exploration in the 1940s in an unmarked border area that Saudi Arabia later claimed sovereignty over. Negotiations between the two governments stretched from 1942 to 1952 only to end in armed aggression by both sides. An arbitration attempt failed in 1954-55 despite pressure from the Arab League. In 1959, the UN Secretary General engaged the parties in mediation which paved the way to direct negotiations between the parties until a settlement agreement was reached in 1975 granting Oman sovereignty over the area while apportioning land with potential oil reserves and sea access to Saudi Arabia.4

Designing a dispute settlement process for Lebanon first requires recognizing the complex political, economic and social questions that may fall beyond the scope of law. As such, a more nuanced process based on parallel long-term and short-term settlement mechanisms that are mutually reinforcing, is more likely to ensure that Lebanon’s strategic and economic interests are not compromised.

2. Lebanon Specific Options

Cyprus’s intention to resolve maritime boundary issues with Lebanon without jeopardizing its strategic gas interests with Israel may put Cyprus in a mediation role that can speed up the resolving of Lebanon’s southern maritime boundary. Should diplomacy and negotiations fail to achieve an agreed amendment with Cyprus, both states may resort to arbitration as stipulated in the Cypriot-Lebanese Agreement itself. It is worthy to mention that arbitration is more flexible than adjudication by the ICI since it is a simplified version of a court where the parties may choose the applicable procedures and laws, and reach a binding decision.

Nevertheless, the arbitration approach has been criticized for its limited results. For example, in the Abyei Arbitration case between the Sudanese government and the People’s Liberation Army of Sudan over the territorial boundary demarcation, oil, water and grazing rights, the Permanent Court of Arbitration (PCA) divided the territory between the two parties by issuing new boundaries, and demarcated the oil fields to the territory belonging to the North. The underlying issues pertaining to oil, water and grazing rights remain unresolved, and the parties now bear the responsibility for pursuing resolutions to these issues through other means of unspecified nature and timing.

This failure to address outstanding issues and promote reconciliation was among the critiques expressed by one judge’s dissenting opinion.5

1. UNCLOS, article 74. “The delimitation of the exclusive economic zone between States with opposite or adjacent coasts shall be effected by agreement on the basis of international law, as referred to in Article 38 of the Statute of the International Court of Justice, in order to achieve an equitable solution.”


3. The Buraymi case, 1959.\”The Buraymi Oasis comprises a large body of land and water within an area of about 200 square kilometers, and ancient wells provide water that is suitable for agriculture. It is situated on the border between Saudi Arabia and Oman and has been a source of conflict between the two countries.\” p. 28, p. 38.

4. The Buraymi case, 1959.\”The Buraymi Oasis comprises a large body of land and water within an area of about 200 square kilometers, and ancient wells provide water that is suitable for agriculture. It is situated on the border between Saudi Arabia and Oman and has been a source of conflict between the two countries.\” p. 28, p. 38.

2.2 What mechanisms can Lebanon consider to resolve EEZ issue with Israel?

After correcting the technical and legal errors in its agreement with Cyprus, signing and ratifying a new agreement, Lebanon may request that Cyprus amends its agreement with Israel accordingly. If this option proves to be successful, Israel could then acknowledge Lebanon’s southern west border through the agreement with Cyprus.

Meanwhile, certain preventive mechanisms can be taken to avoid engaging in a maritime conflict. These measures may include:

• An agreement with the oil company operating on Israeli maritime boundary to abstain from any activities that would lead to the usurping of Lebanon’s oil and gas.

• A request to the UN to monitor the disputed zone in order to prevent breaching of Lebanon’s right to its oil and gas. This mechanism would be similar to the UN’s monitoring role on Lebanon’s southern western territorial border.

Notwithstanding the above mentioned options, an array of procedures can be pursued to further ascertain Lebanon’s rights.

2.2.1 Resort to UN mediation

Israel’s linking of the maritime boundary conflict to a comprehensive peace agreement may be interpreted as a politicization of the conflict that aims at engaging Lebanon in direct negotiations that address the wider issue of peace in the region. However, Lebanon has reiterated on various occasions that direct negotiations is impossible in light of the enmities and that peace in the region has various Palestinian and non-Palestinian constituents.

Nevertheless, for purposes of reaching an agreement with Israel on the limits of the EEZ, the current ongoing UN mediation serves as an option to reach such an agreement.

2.2.2 Protest at UN Security Council

Lebanon has already protested that Israel’s declared EEZ infringes on its southern and west southern EEZ limit.

Lebanon could request that the Security Council issue a resolution acknowledging this infringement and calling upon Israel to rectify its northern EEZ limit accordingly.

Nevertheless, it is important to note that relying solely on a Security Council resolution has limited efficiency. If the UN Security Council does not enforce its implementation on Israel (see below Precedents concerning resolution through the UN Security Council),

2.2.4 Advisory opinion from the ICI

Lemon may seek an advisory opinion from the International Court of Justice concerning the limits of its southern EEZ boundary. This procedure is initiated unilaterally and does not require Israel’s acceptance of the ICI’s jurisdiction.

An advisory opinion is not binding, but combined with other settlement mechanisms can serve as a valid declaration of Lebanon’s rights that strengthens its position vis-à-vis any contradicting claims.
2.2.5 Litigation

The ICJ is mandated to adjudicate legal questions related to various issues including: (a) sovereignty over certain territories and frontier disputes; (b) those concerning maritime delimitations and other law of the sea disputes; (c) cases involving enforcement of contracts and violation of certain principles of customary international law. A judicial settlement through the International Court of Justice (ICJ) is not only binding like arbitration, but also final and without appeal.

Lebanon and Israel are parties to the ICJ, however, settlement by the ICJ is subject to the recognition by the both parties concerned of the jurisdiction of the courts. The recognition may be explicitly expressed by way of a special agreement between the States parties to a dispute (compromise) that confirms jurisdiction over the maritime boundary to the ICJ, or implicitly inferred if the respondent state does not object to the jurisdiction of the Court thus indicating its tacit approval to settlement by the ICJ.

The Israeli government submitted to the UN Secretary General its consent regarding the jurisdiction of the ICJ in 1950 for a period of five years that was renewed in 1956. However, in anticipation of litigation against it, Israel terminated its acceptance of the Court’s jurisdiction in 1983.

Lebanon has not submitted a statement of consent on the ICJ’s jurisdiction. With respect to filing a law suit against Israel at the ICJ, there exists two different opinions in this respect; One particular opinion of a Lebanese jurist, Edmond Naim, claims that suing the Israeli government is an acknowledgment of its statehood.

“Whether we are at war with Israel in the legal sense of Public International Law or not, Lebanon has not to date recognized Israel as per International law methodology. As such, if we sue Israel at the International Court of Justice and Israel accepted this prosecution, this would result in the recognition by the Lebanese State of the statehood of Israel.”

Other experts claim that it is possible to sue the Israeli government at the ICJ without acknowledging its statehood because:

• The act of acknowledging statehood is a sovereign prerogative that a state decides unilaterally and carries out by a clear declaration.

• Even though Israel is a member of the UN, this membership is binding towards Lebanon but it does not ensure any acknowledgment by Lebanon of Israel’s statehood. Similarly, the ICJ is the main judicial body of the UN (article 92 of the UN charter), and Israel’s membership in this body does not ensure any acknowledgment by Lebanon of its statehood.

The ICJ is mandated to resolve conflicts of legal nature, in this case regarding the geographical maritime boundaries, irrespective of a state’s position. Its mandate is thus linked to the legal conflict aspect of the relationship between the countries and not the issue of statehood.

There have been various precedents concerning attempts by Lebanon to sue Israel at the ICJ:

• In 1996, following Qana massacre, the Ministry of Justice prepared a report concerning the legal basis for Israeli liability and the competent adjudicating authority. However, the report was not given full effect.

• In 2006, the Council of Ministers authorized the Minister of Justice to prepare a report on the mechanisms and procedures to sue Israel. The report was carried out with the help of national and international experts, and presented a legal argument on the possibility of adjudication without acknowledging Israel’s statehood. The legal analysis has not found consensus among other legal experts.

2.3 Can Lebanon sue Israel for compensation if oil or gas was extracted from the territory of Lebanon?

Precedent concerning compensation resolution by the UN Security Council:

• Resolution 262 (1968) called upon Israel to pay compensation to Lebanon for the destruction of airliners at the Beirut international airport. The Resolution has not been implemented by Israel.

Precedent concerning Compensation Commission:

• Upon the recommendation of the UN General Assembly, the UN Security Council issued resolution no 687 (1991) that set up a Compensation Commission in 1991 to provide Kuwait with compensation for damages caused by the Iraqi invasion.

• In 2008, the UN General Assembly decided in resolution 63/211 asking Israel to compensate Lebanon on environmental damages caused by the oil spilled from Jiyyeh station during the 2006 war, and to establish the Eastern Mediterranean Oil Spill Restoration Trust Fund to provide assistance to countries affected. Contribution to this fund is voluntary. Israel has not compiled with this resolution and the UN Security Council has not taken any measures to force Israel to comply with the resolution.

• Another complementary fund, known as the Lebanon Recovery Fund, was established upon the request of the Lebanese government. It enables donors to pool their resources and rapidly provide funding in the aftermath of the July 2006 war. As stated in its terms of reference, the Recovery Fund will finance priority recovery and reconstruction projects that are approved by the Government and that can be executed with the support of Participating UN Organizations within the scope and time frame of national priorities.

• Both funds have been integrated, but have not received sufficient donations to continue the necessary long term studies and cleaning of oil slick projects.
2.4 What are the ramifications of the US proposed solution?

The US, through its mediator Fredrick Hof, declared that it is convinced that 500km² of the disputed maritime area with Israel belongs to Lebanon and proposed that Lebanon begins exploring within this area pending a final agreement on the remaining 360km² disputed area.

Neither Lebanon nor Israel replied formally to the US proposal, however, this proposal has created an internal debate in Lebanon between those who support this solution as a “pragmatic option” with the view of continuing UN and US diplomatic endeavors to restore Lebanon’s whole rights over the whole disputed area, and those who refuse the US proposal and assert Lebanon’s right over the whole disputed area since the delimitation of maritime boundaries was conducted in accordance with international standards and methods.

This debate raises a number of issues:

- Lebanon’s right in the exclusive economic zone that it determined based on international law, and its right to exploit its natural resources within this zone is a sovereign indivisible right that is not subject to bargaining.

This was in fact the position of Norway, for instance, which held to its sovereign right over its entire economic zone in its negotiations with Russia on its maritime borders in the Barents Sea and the Atlantic. Based on this right, Norway rejected any “temporary measures” in the disputed zone - except for those measures related to protecting fisheries.

- the principle of the integrity of land ascertains Lebanon’s full sovereignty over its entire territory. Similarly, the principle of integrity of Lebanese territory should extend to Lebanon’s maritime zones, and dividing the Lebanese EEZ undermines this integrity.

- Lebanon’s current position is that of no dispute exists with Israel, because the 860 km² zone is Lebanese according to the demarcation process conducted by the Lebanese army. Negotiations with Israel aim only to establish the geodata submitted by Lebanon to the UN, which are in contradiction with the data submitted by Israel to the UN, and those agreed upon between Israel and Cyprus in the Maritime Boundary Agreement between the two countries. Consequently, Lebanon has not yet lost any inch of this zone.

Accepting the 500 km² zone means starting a conflict with Israel on the remaining zone, that is, Israel will claim that it is an Israeli zone. Consequently, Lebanon’s negotiating position will transform into a defensive one.

- If the US and the UN are convinced that the entire 860 km² zone is Lebanese, why defer diplomatic pressure for the recognition of the whole disputed area to a later stage? Also, are there any guarantees that future endeavors shall succeed in recognition of the whole disputed area as Lebanese and the amendment of the Israeli-Cypriot EEZ agreement accordingly?

- Lebanese Minister of Energy, Gibran Bassil, revealed that the quantity of gas available at the edge of the disputed area with Israel (around 12 thousand billion cubic feet) is only a sample of the resource quantities that Lebanon possesses, noting that even larger quantities exist in the north, middle and south. Based on this information, a pragmatic approach may lie in investing in non-disputed areas rich in resources instead of jeopardizing sovereignty rights over the south western EEZ area.

- Assuming theoretically that the US proposal is in fact a solution, how viable is this solution? Who would control the remaining 360 km²? Will another blue line be drawn in the sea and put under UN supervision? What guarantees Israel’s abstinence from undertaking any activities that jeopardize the region’s resources?

Even if Israel claims that this area will be a neutral zone and that it would not conduct any activity there, Israel has a history full of violations of the Lebanese sovereignty and borders. Would then guarantees by the UN and the US be enough to ward off similar attacks in the sea?
Annex 1 - Lebanon geographics coordinates and letters addressed to the UN

Addendum to Lebanon Geographic Coordinates Deposited in 2010 - Southern Borders

Lebanon Geographic Coordinates Deposited in 2010 - Southern Borders
Annexes

The baseline of the southern Lebanese coast was delimited using the following available maps:

- Admiralty chart No. 2648 (draft to 1 mile) and 1:50,000; proceed by the Leibnitz Hydrographic Office.
- Admiralty chart No. 5000 (draft to 1 mile) and 1,500,000; proceed by the Leibnitz Hydrographic Office.
- Chart No. 51 (Straits of Malacca, 2008) produced by the Office of Geographic Affairs, Lebanese Armed Forces Command.


Using this baseline and with reference to the provisions of the United Nations Convention on the Law of the Sea, the southern limit of Lebanon’s exclusive economic zone was determined in the median line between every point of which is equidistant from the nearest point on the baselines of Lebanon and the neighboring State.

The southern limit of Lebanon’s exclusive economic zone was then plotted on Admiralty chart No. 2501; a list of coordinates is provided in Annex 2.

There is a need to conduct a detailed survey, using a global positioning system, of the shore contours in the southern limit, including all islands and spurs, with a view to updating the nautical charts and baselines accordingly in the future.

List of Geographic Coordinates

For the delineation of the Exclusive Economic Zone in WGS 84

All positions are referred to WGS 84 based on the International Terrestrial Reference Frame 2008 (ITRF 2008).

Southern Mediterranean Line (Lebanon – Palestine)

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Annex 1: Official baseline

Annex 2: Definitions of geographic coordinates

1. The baseline of the exclusive economic zone is determined in accordance with articles 19 and 20, the limits derived thereof, and the times of illumination therein.

2. The exclusive economic zone shall be delimited along the shore, as far as practicable, using the conventional methods of delimitation at the shores, and the areas of the sea beyond and adjacent to it in accordance with the provisions of this Convention.

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Lebanon Geographic Coordinates Deposited in 2011 - South-West-North Borders

**List of Geographical Coordinates**

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**Lebanon Letter to UN - July 2011**

I write to you in respect to the exclusive economic zone of Lebanon. On 6 July 2011 and 16 (October 2011), Lebanon demarcated with the United States the geographical coordinates of, respectively, the southern and northern borders mentioned hereinbefore of Lebanon. The agreements were signed by Delegations on behalf of the United States, and the border henceforth shall be determined by means of the map of Lebanon and Syria, which has been deposited by Lebanon in the United Nations, and the map of the exclusive economic zone of Lebanon, which has been deposited by Lebanon in the United Nations.
Annex 2- EEZ Agreements in the Mediterranean

EGY-CYP EEZ Agreement

Annex 2- EEZ Agreements in the Mediterranean

ISL-JOR Maritime Boundary Agreement
Annex 92

ISR-CYP EEZ Agreement

The Government of the State of Israel and the Government of the Republic of Cyprus (hereafter, each, individually, a “Party”; jointly, the “two Parties”) Desiring to strengthen further the ties of good-neighbourliness and cooperation between the two countries; Recognizing the importance of the delimitation of the Exclusive Economic Zone for the purpose of development in both countries; Requiring the provisions of the United Nations Convention on the Law of the Sea of 1994 (UNCLOS), relating to the Exclusive Economic Zone; Agreeing on the rules and principles of international law of the area applicable to the matter; Have agreed as follows:

Article 1

(a) The delimitation of the Exclusive Economic Zone between the two Parties is affected by the median line, as such term is defined in paragraph (b) below.

(b) The median line between the two Parties is delimited by points 1 to 12, in accordance with the list of geographical coordinates affected by Annex 1, which constitutes an integral part of this Agreement.

The median line, as determined, appears graphically on the Official Hydrographic Chart published by the British Admiralty No. 153 (Far, 1995), in a scale 1:1,600,000 (referred herein as Annex 2), which constitutes an integral part of this Agreement.

The coordinate values of the agreed points 1 to 12 on the median line shall be identical to the chart noted in paragraph (a) above, and two any other map or chart that reflects the location of the median line between the Parties.

In case there are natural resources, including hydrocarbons, extending from the Exclusive Economic Zone of one Party to the Exclusive Economic Zone of the other, the two Parties shall cooperate in order to reach a framework utilization agreement on the exploitation of the joint development and exploitation of such resources.

Without prejudice to the provisions of Article 1(a), if either of the two Parties is engaged in negotiations aimed at the delimitation of its Exclusive Economic Zone with another State, that Party, before reaching final agreement with the other State, shall notify and consult the other Party, and such delimitation in connection with coordinates 1 to 12.

This Agreement is subject to ratification according to the constitutional procedures in each country.

This Agreement shall enter into force upon the exchange of the instruments of ratification.
Annex 3- Lebanese Legislation Concerning Maritime Boundaries

Decree 138: LEB Territorial Sea

Legislative Decree No. 138 concerning territorial waters and sea areas, of 7 September 1983

Article 1
Subject to compliance with the provisions of international conventions to which Lebanon is a party or a signatory, the width of Lebanon’s territorial waters is hereby fixed at 12 nautical miles from the seashore, starting from the lowest level of ebb tide.

Article 2
The creation within territorial waters of areas that are out of bounds to ships and the specification of navigation routes may be effected by virtue of a Council of Ministers decree issued on the recommendation of the Minister of Public Works and Transport and the Ministers of Finance and National Defence.

The above-mentioned decree shall specify the types of vessels affected by the provisions of this Legislative Decree.

Article 3
Every infringement of the provisions of article 2 above is punishable by a fine ranging from five thousand to twenty thousand Lebanese pounds. Subject to a decision by the Minister of Public Works and Transport, the offender may also be disrupted and the ship banned entry into Lebanese ports.

The collection of fines shall be effected in accordance with laws and regulations in force.

In the event of other laws and regulations in force being violated, the application of the penalty provided for in this Legislative Decree shall not prevent the imposition of the penalty provided for in those laws and regulations.
Annexes

Annexes

Decree No. 6433 - Delineation of LEB EEZ

Lebanese Petroleum Law