

Turkey ‘cannot risk fallout’ from halting ExxonMobil drilling offshore Cyprus – expert

Turkey can ill afford the diplomatic fallout with the US that would be caused by preventing ExxonMobil from accessing Block 10 in waters offshore Cyprus, according to a regional expert.

Middle East energy expert Justin Dargin said any potential action by Turkey to block ExxonMobil “risks increasing the dispute [with Cyprus] significantly” by pushing Ankara into a diplomatic spat with Washington.

As Turkish military vessels continue to prevent Italian major Eni from drilling an exploratory well in Block 3, offshore south-east Cyprus, reports indicate ExxonMobil is pushing ahead with plans to send two ships to conduct environmental baseline surveys at a location named Delfinos in Block 10.

Dargin told Gas Matters Today: “ExxonMobil is an American oil company and would ostensibly have the full support of the US government... This is in addition to the fact that the current American secretary of State [Rex Tillerson] is the former CEO of the company.”

Any Turkish action to halt ExxonMobil’s ships from reaching Block 10 “risks destabilizing an already deteriorating relationship between the US and Turkey,” Dargin added.

“As ExxonMobil and Qatar Petroleum forged a deal to begin joint drilling in Cyprus’ EEZ [exclusive economic zone], Turkey’s actions would also place it at odds with Qatar, a close regional ally.”

Turkey blocked the Eni-chartered Saipem 12000 drillship by issuing a navigational warning (Navtex) for military exercises, which expires on 22 February. “Therefore, it is in the realm of possibility that we could witness the departure of Turkish naval ships around that time with the dispute losing some of its military flavour,” the regional expert added.

Dargin, who has conducted research for the Oxford Institute for Energy Studies and Harvard University, said Cyprus is relying on the European Union to support its position. EU-Turkey relations are already frayed amid tricky negotiations over controlling migration into Europe, funding for Syrian refugees in Turkey and visa requirements for Turkish nationals entering Europe.

“What is likely to occur is a face-saving measure that would allow Turkey to reduce the rhetoric without it risking its other negotiations with the EU, while at the same time without seeming that it is backing down from its territorial claims or from its support of Turkish Cypriots,” Dargin said.

As a result, “most drillers will take a wait and see attitude to weigh the Turkish response to ExxonMobil and what will occur in the next few days when its notification expires”.

As for Eni, the Saipem 12000 – which is believed to attract a day rate of around USD 500,000 –

has been chartered for work in Morocco in March.

If the Turkish vessels move away on Thursday, the Italian company might be able to complete its drilling campaign in the Soupia (Cuttlefish) well in Block 3 in the time remaining on the charter. - SK/VA



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