

## COOPERATION

# ANKARA 'CLOSER' TO JOINT ENERGY PROJECTS WITH ISRAEL, GREEK CYPRUS

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 Amid growing speculation over scenarios that include the participation of Turkey as a transfer hub for the recently discovered natural gas resources in the east Mediterranean, top Turkish officials signaled on Thursday that Ankara is warming to “extensive cooperation” with Israel and Greek Cyprus.

The issue was discussed by both President Abdullah Gül and Energy Minister Taner Yıldız on Friday at an energy conference in İstanbul. Addressing participants at the 4th Annual Energy Forum, organized by Sabancı University, Gül said Turkey would welcome a new cooperation model that envisages the transfer of resources from the Mediterranean to world markets via Turkey. **CONTINUED ON PAGE 07**



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"I would like to once again underline here that it will benefit all parties to agree on a joint deal on the transportation of gas reserves off the island of Cyprus," Gül said, adding that the cooperation would "surely facilitate the solution of political problems we face in this region." The president asserted that Ankara is "ready to contribute to any constructive project," adding that all parties should start considering a new models to reach a solution.

The east Mediterranean basin is estimated to hold as much as 3 trillion cubic meters of natural gas reserves. Turkey stands firmly against any unilateral moves by the Greek Cypriot administration to extract natural gas and oil reserves off of the coast of Cyprus, saying that Turkish Cypriots, running their own state in the north of the island, also have a say on these reserves. In transporting gas drilled from Cyprus to Europe, a pipeline through Turkey seems the lowest-cost opportunity for Greek Cyprus, which will most likely remain cash-strapped for the near future due to its major economic crisis.

The Israeli and Greek Cypriot administrations began cooperating on energy soon after the American oil company Noble Energy discovered gas around the island of Cyprus. Ankara expects improving ties with Tel Aviv -- which follow the latter's apology over the earlier Mavi Marmara raid -- will see Turkey find its place at the negotiation table for even larger-scale energy projects soon.

Speaking to reporters during Friday's conference, Minister Yıldız did not deny that preparations are going on



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Turkish President Abdullah Gül addresses the participants at the energy conference organized by Sabancı University in Istanbul on Friday.

behind closed doors in Ankara for the possible "solution model" to which Gül has referred. Underlining that the Turkish government is ready for possible cooperation with Nicosia and Tel Aviv to transfer Cyprus gas reserves to world markets, Yıldız said his ministry has already begun research to draw up the anticipated projects. Reiterating Ankara's stance that Cyprus energy reserves must be shared with the Turkish side, the minister argued that Nicosia would have difficulty in initiating energy projects in the Mediterranean if the country "continues ignoring our [Ankara's] calls to abide by international law." Yıldız added, however, that Turkey "will that

take advantage of its geographic position to pressure the newly emerging energy suppliers, nor will it use this as a tool for political gain."

The minister's statements signal softening of tone in Ankara, particularly following recent remarks from different Cabinet members. Foreign Minister Ahmet Davutoğlu said in March that if Greek Cyprus insists on using hydrocarbon reserves off the island to overcome its debt crisis without the consent of the Turkish Cypriots, Turkey is ready to discuss a two-state solution on the island in order to claim the rights of Turkish Cypriots to the reserves. One critical detail between the lines of Yıldız's speech on

Friday was that the government expected the state-owned Turkish Petroleum Corporation (TPAO) play a leading role in the possible Mediterranean projects and that the company could partner with local or foreign private energy firms. Observers have speculated that the TPAO would cooperate with a local energy firm in the case of an energy transfer project in the Mediterranean. The firm currently explores for oil and natural gas in Turkish-controlled Cyprus. The minister also announced, "We are in the process of finalizing our efforts to offer TPAO shares to the public to be traded on the stock market. He added that details on this issue "will be made public shortly."