

# Energy Bonanza or Abyss: Israel's Options for the Future

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## Abstract

*The article uses scenarios to unpack and assess the energy bonanza that has befallen Israel and other countries in the eastern Mediterranean. The discovery of oil and gas takes place under the context of the Israeli-Palestinian conflict and the recent Arab spring. Three scenarios have been constructed to afford Israel with alternative options of the future, up to 2030.*

**Keywords:** Israel, oil and gas, scenarios

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## Introduction

The recent discovery of oil and natural gas in 2010 by a U.S.-Israeli firm in the Levant Basin Province, eastern Mediterranean, poses enormous challenges and opportunities. According to Peter Odell (2001), “[o]il and gas are the drivers of modern economies and issues relating to them impinge importantly on national and international politics.” The future of Israel has never been brighter in terms of its energy security needs and has a potential to change the geo-political make-up of the eastern Mediterranean states, including the whole of the Middle East. This natural endowment poses significant political risks for Israel and the irony of this discovery cannot be underestimated. According to Gal Luft (2010), “this discovery is nothing short of a geopolitical game changer.” In addition, according to Walid Khadduri (2011), “[t]his geopolitical dimension is not limited to the Israeli-Palestinian or Israel-Lebanese disputes ... but will also encompass several other Arab countries, particularly those that export natural gas, and especially in the event Israel intends to export to European markets.”

The Levant Basin Province discovery has been complicated by the recent and continuing

instability in the Middle East, i.e. the Arab uprising is in full swing, including in countries such as Syria and Iran. In addition, the on-going Israeli-Palestinian conflict adds a hard and complex dimension, especially with the assertion that the military operation in Palestine territory by the Israeli Defence Force, code named “Operation Cast Lead”, was a guise to appropriate these natural resources from the Palestinian Authority in Gaza and the Republic of Lebanon (Pellissier, 2010).

The Mediterranean maritime boundaries of Israel and Palestine have not been negotiated and agreed to. The United Nations Convention on the Law of the Sea (UNCLOS) regulates the manner in which maritime boundaries are demarcated between nation states. Currently, Palestine is not a nation State in terms of United Nations (UN) conventions; hence, the issue of maritime boundaries in the Levant Basin Province will form part of the negotiations for the establishment of a future Palestinian State. Furthermore, Israel has not signed nor ratified the 1982 convention because of its fears that arbitrators appointed by the United Nations could be biased against it.

Israel’s occupation of land and marine resources of Palestine is the root cause of the Arab-Israeli conflict (Thomsen, 2007). The Palestinians are demanding that all land and sea that they held in 1967 must be returned to them in order for them to grant Israel recognition and live peacefully side-by-side. A significant part of this land has been irreversibly developed during the period of occupation and Israel’s Prime Minister Benjamin Netanyahu has indicated to the United States (U.S.) Congress in 2011 that Israel will never go back to the “undefensible” 1967 borders.

## Assumptions

Israel is set to become a ‘hydrocarbon powerhouse’ in the Levant Basin Province and the world. A total of 16 trends in the dangerous neighbourhood that have a direct impact on the future energy security and ambitions of Israel are elucidated in Table 1. Each trend is matched with its driver, future impact and policy implication for Israel, as illustrated in Table 1.

Table 1. *Trend description*

Country	No.	Trend	Driver	Future impact	Policy implication
Israel	I-1	Ubiquitous use of natural gas and related products	Growing economy and natural gas-fired electric power	Short-term natural gas supply shocks (supply constraints to be eliminated once Tamar goes on stream in 2014)	Diversification of natural gas sources and urgent exploitation of new natural gas finds (i.e. Tamar, Dalit and Leviathan)
	I-2	Hydrocarbon economy	Hydrocarbon wealth in the Levant Basin Province	Energy import substitution and a healthy current account	Ditto

Country	No.	Trend	Driver	Future impact	Policy implication
	I-3	Thawing of frozen relations with the Palestinian Authority	Unreliable natural gas supplies from Egypt	Israel and the Palestinian Authority to develop and exploit Gaza Marine hydrocarbons for mutual benefit	Realpolitik: Less rhetoric in negotiating with the Palestinians
	I-4	Oil and natural gas exploration rush	Levant Basin Province	Emergent hydrocarbon power	Favourable tax policy to encourage Israeli firms and their joint-venture partners to invest in exploration and drilling of oil and natural gas
		Ditto	Natural gas glut (from Russian, Caspian Basin and Middle Eastern sources, etc.)	Significant step towards the setting up of a 'gas OPEC'	Arrange long-term supply contracts with European counterparts (including OECD countries) and South Africa
	I-5	Outward foreign direct investment	Azeri oil fields (Azerbaijan)	Guaranteed foreign sources of oil	Favourable tax policy to encourage Israeli firms to acquire foreign energy assets and investments in the Caspian Sea and elsewhere
	I-6	Increasing share of natural gas in the energy mix of the country	Climate change	Cleaner environment and production	Petroleum substitution and introduction of incentives for the development of technologies that use natural gas
Palestine	P-1	Fatah and Hamas have a signed peace pact and cooperation agreement	Possible recognition of a Palestinian State by the UN in September 2011	Enforcement of International Law, inter alia UNCLOS and resolutions of the UN and its agencies	Proactive and constructive engagement of all political forces in Palestine
	P-2	Political mainstreaming of Hamas by stealth	World acceptance of Hamas as one of the legitimate representatives of the Palestinian people	Full development and exploitation of Palestinian oil and natural gas resources, including possible claims to the Levant Basin Province hydrocarbons	First-mover strategy: Open dialogue and engage Palestinians before EU and US rivals (including Russia, China, etc.)

Country	No.	Trend	Driver	Future impact	Policy implication
Egypt	E-1	Resurgent hostility towards Israel after the fall of President Hosni Mubarak (so-called Arab Spring)	Anti-corruption	Intermittent natural gas supplies (including deliberate sabotage) and eventual termination	Diversification of natural gas sources and urgent exploitation of new natural gas finds (i.e. Tamar, Dalit and Leviathan)
	E-2	Political mainstreaming of the Muslim Brotherhood by stealth	Palestinian solidarity and Arab nationalism	Termination of the peace treaty	Proactive and constructive engagement of all political forces in Egypt
	E-3	Economic assertiveness	Hydrocarbon wealth in the Levant Basin Province	Cyprus-Israel Maritime Accord	Alignment with pre-existing EEZs, including those of Turkey, Lebanon and Syria
		Ditto	Framework agreement: Development of cross-median line hydrocarbon resources	Cyprus-Israel Maritime Accord	Ditto
Turkey	T-1	Nabucco pipeline (Turkey-Austria gas pipeline)	Natural gas glut (from Russian, Caspian Basin and Middle Eastern sources, etc.)	Significant step towards the setting up of a gas OPEC	Expedite the construction of LNG handling, transportation and storage facilities (for strategic stockpiling) in Israel and elsewhere, especially in friendly countries such as South Africa
	T-2	Russian and Iranian ( Hamas acts as a proxy for Iranian interests) influence	US hegemony	Denial-of-access tactics on the BTC pipeline, etc.	Pre-emptive strike
Lebanon	L-1	Political mainstreaming of Hizbullah by stealth	Hydrocarbon wealth in the Levant Basin Province	Escalation of hostilities towards Israel  Hazardous security conditions in the Levant Basin Province	Vanguard: Protection of strategic oil and natural gas assets

Country	No.	Trend	Driver	Future impact	Policy implication
Syria	S-1	Islamic pipeline (Syria-Iran-Iraq-Turkey)	Natural gas glut (from Middle Eastern sources)	Significant step towards the setting up of a gas OPEC	Expedite the construction of LNG handling, transportation and storage facilities (for strategic stockpiling) in Israel and elsewhere, especially in friendly countries such as South Africa
Cyprus	C-1	Economic assertiveness	Hydrocarbon wealth in the Levant Basin Province	Cyprus-Israel Maritime Accord	Alignment with pre-existing EEZs, including those of Turkey, Lebanon and Syria

Source: own elaboration

The above trends are not ranked or valued in any order of importance. By their nature, trends “eventually change direction and speed as time passes” (Cornish, 2004), and the dangerous neighbourhood is no exception. As a central and important actor in the eastern Mediterranean, Israel has influence and a newfound lever (Levant Basin Province oil and natural gas) to direct the evolution of these trends in its favour and for its eventual benefit.

By projecting the trends it is possible to determine the likely impact of each trend under conditions of uncertainty. An 18-year time continuum was conceptually constructed, up to the year 2030. The results of the exercise are summarised in Table 2.

Table 2. *Trend projection – year 2030*

Trend No.	Impact	Uncertainty	Key factor	Projection – year 2030
I-1	High	Low	Exploitable gas reserves in the Levant Basin Province Caspian Basin supply contracts (guaranteed supplies) Liquefied natural gas	Demand for natural gas to energise the economy in 2030 projected at 18.4 bcm per year (from 10.3 bcm in 2011), a 78.6% increase (Kugler, 2008)
I-2	High	High	Alignment with future Palestine EEZ Alignment with pre-existing EEZs, including those of Turkey, Lebanon and Syria	Finalisation (or stalemate) of the UNCLOS investigation, arbitration and award (Lebanon’s claim and Syria’s by proxy) Peace treaties (or flare-up of war)
I-3	High	High	Unfettered comprehensive peace negotiations in good faith by both Israelis and Palestinians (in a similar format as the CODESA negotiations in South Africa)	Agreement on land and maritime borders (EEZs) Long-term benefit-sharing agreement (Levant Basin Province resources)

Trend No.	Impact	Uncertainty	Key factor	Projection – year 2030
I-4	High	Low	Realisable gas reserves in the Levant Basin Province	Oil and natural gas autarky (strategic stockpiling) Strategic investment in gas-to-liquid technologies (Fischer-Tropsch process) and refineries – at a scale similar to or exceeding South Africa’s SASOL Strategic natural gas exports (limited to friendly countries)
I-5	Low	Low	Capital account (effect on balance of payments)	Israeli sovereign fund (for strategic investments abroad) Diaspora energy fund to finance strategic ventures abroad
I-6	High	Low	Existence of a national system of innovation Support by venture capitalists Public awareness campaign against the ‘oil weapon’ (which is an undesirable externality from a geopolitical perspective) and concomitant creation of an energy-saving culture	Global market leadership (R&D, process, production and quality) in technologies that are powered by natural gas (or its by-products)
P-1	High	Low	Unfettered comprehensive peace negotiations in good faith by both Israelis and Palestinians (in a similar format as the CODESA negotiations in South Africa)	Peace treaties (or flare-up of war, which will lead to further isolation of Israel in the international community of nations. Subsequently, probable punitive UN General Assembly resolutions [suspension of the rights and privileges of membership or expulsion])

Trend No.	Impact	Uncertainty	Key factor	Projection – year 2030
P-2	High	Low	Readiness to govern pragmatically Moderate rhetoric Conciliation Establishment of robust constitutional institutions and systems Continuous confidence-building mechanisms Creation of a reconstruction and development fund for the rehabilitation of Palestine (a once-off ex gratia contribution by Israel (US\$10 billion to be transferred in equal amounts of US\$1 billion per annum for a period of 10 years) Foreign aid contributions	Agreement on land and maritime borders (EEZs) Agreement on security, refugees, dual citizenship, right of return (both Israelis and Palestinians) – a comprehensive deal! Long-term benefit-sharing agreement Creation of a permanent bi-national commission that must meet at least twice a year
E-1	High	Low	Full disclosure Reparation (where required) Future transparent dealings (set up robust ethical standards and systems of check and balances) Confidence-building measures	Revised long-term contract on mutually beneficial terms Creation of a permanent bi-national commission that must meet at least twice a year
E-2	High	Low	Readiness to govern pragmatically Moderate rhetoric Conciliation Continuous confidence-building measures Foreign aid	Revised peace treaty Assertive 'New Egypt' Egypt as a secular state New growth trajectory, positive economic cooperation with Israel
E-3	High	High	Alignment with future Palestine EEZ Alignment with pre-existing EEZs, including those of Cyprus, Libya, Lebanon and Israel	Peace treaties (or flare-up of war) Cooling of political temperament Creation of an 'Eastern Mediterranean Economic Community', thereafter a fully-fledged economic union

Trend No.	Impact	Uncertainty	Key factor	Projection – year 2030
T-1	High	Low	Artificially low natural gas prices	Turkish dominance as a hydrocarbon power that controls all significant pipelines and infrastructure to supply the lucrative market of Europe and Asia Gas OPEC becomes a reality Feasibility of Levant Basin Province oil and natural gas will be deliberately put in jeopardy by Turkish and Russian interests (a proxy for Iranian and Syrian interests)
T-2	High	High	High natural gas prices	High-stakes gambit: Holding Europe to ransom by Russia and its proxies (Turkey, Syria, Iran and other Caspian Basin countries) Unravelling of the EU as a result of economic nationalism War – ‘end game’
L-1	High	Low	Readiness to govern pragmatically Moderate rhetoric Conciliation Continuous confidence-building measures	Peace treaty Reaffirmation of Lebanon as a secular state New growth trajectory, positive economic cooperation with Israel
S-1	High	Low	Artificially low natural gas prices	Turkish dominance as a hydrocarbon power that controls all significant pipelines and infrastructure to supply the lucrative market of Europe and Asia Gas OPEC becomes a reality Feasibility of Levant Basin Province oil and natural gas will be deliberately put in jeopardy by Turkish and Russian interests (a proxy for Iranian and Syrian interests)
C-1	Low	Low	Alignment with future Palestine EEZ Alignment with pre-existing EEZs, including those of Turkey, Syria, Libya, Lebanon and Israel	Creation of an ‘Eastern Mediterranean Economic Community’, thereafter a fully-fledged economic union

Source: own elaboration

The above trend projections provide a clear picture of what the future holds for Israel. A key question is, “what is Israel going to do about it?” The above trend

description provides Israel with an opportunity to assess the implications of each trend before executing a course of action (Hines, 2008) as a result of its discovery of oil and natural gas in the Levant Basin Province.

## **Scenario methodology**

The use of scenarios has been chosen in order to assess key drivers of change and any factors in the external environment that have a bearing on strategies to be adopted for the creation of a desirable and preferred future for the Israelis, Palestinians and other countries in the 'dangerous neighbourhood' (in addition to the latter two, it includes Egypt, Turkey, Cyprus, Lebanon and Syria, which are all located in the eastern Mediterranean). It is important to note that scenarios focus on plausible futures and not trends, which "eventually change direction and speed as time passes" (Cornish, 2004). Scenario development assists in developing an array of possible futures from the interactions of the key drivers of change and other factors in the external environment.

## **Scenarios**

Three plausible scenarios are illustrated to "contemplate the range of possible futures that could develop from the influence of key drivers, events and issues" (Futures for Regional Development, 2007). These three scenarios are aptly named, Poseidon, Apate and Diaspora.

### **Poseidon scenario**

In Greek mythology, Poseidon is the God of the Sea, the one who brings calm to the seas and lives on the ocean floor. The Poseidon scenario illustrates a 'prosperous neighbourhood' in the Levant Basin Province, where the pursuit of a long-term desirable and preferable future becomes the collective responsibility of each country.

Eli Moshe is a 48-year-old underwater archaeologist from the desert town of Bedouin, Israel. Many years earlier, while a teenager, he found work in the Port of Ashkelon as a cleaner on an oil exploration vessel, which was owned by Noble Energy. He remembers those years as the beginning of an end – an end to hopelessness. The job, no matter how menial it was, brought pride and dignity to his family, as he was the first Bedouin to work on a ship. His family, clan and community are desert people, the so-called 'gods of the sand,' as they are commonly known in the eastern Mediterranean. The term originates from the nomadic lifestyles that most Bedouins lead.

While he started as a cleaner at the bottom in conditions not fit for humans, Eli Moshe made an effort to learn the new ways of the sea. The breeze from the ocean mesmerised this young man and unleashed an interest in all matters maritime. Luckily and unknown to him, the dangerous neighbourhood was turning a corner. It was on a journey fraught with dangers that could be fatal for all those who were committed to it. A 50-year Treaty of Convenience was signed at the time by all heads of government in the Levant Basin Province, to commit, inter alia, to the following:

- a) The State of Israel must recognise and accept the jurisdiction and resolutions of UNCLOS.

- b) The Knesset must pass a law to recognise the State of Palestine.
- c) East Jerusalem must be declared a joint territory of both Israel and Palestine.
- d) A Joint Territorial Management Agency must be created to govern East Jerusalem by both Israel and Palestine.
- e) The UN Security Council must pass a resolution that rescinds all negative references towards the State of Israel and its symbols.
- f) The members of the dangerous neighbourhood must enter into a benefit-sharing agreement, by way of a treaty, which will allow for the sharing of all Levant Basin Province oil and natural gas reserves on an equitable basis (determined by an agreed formula).
- g) Demilitarisation under the auspices of the UN must take place.
- h) Fairness, equality, justice and poverty eradication must be pursued in the dangerous neighbourhood.

Unbeknown to Eli Moshe, he was a beneficiary of this treaty, especially Article 278, which reads as follows: “All nation states under this agreement shall pursue and enforce policies that ensure an absolute right to fairness, equality, access to justice and the elimination of poverty.” As with most Bedouins, Eli Moshe is diligent, resilient and intelligent. When a scholarship opportunity to study underwater archaeology at the University of Malta presented itself, Eli Moshe volunteered for the four-year degree programme. He passed his studies cum laude. Interestingly, Bedouins are natural desert archaeologists and the interest to learn the same discipline underwater was second nature to Eli Moshe.

The dangerous neighbourhood was experiencing a new buzz; a construction boom was underway in the quest to build an unrivalled energy hub in the centre of the world. The return of the Diaspora with their high-end skills was supplying some of the scarce skills that were required to build a viable maritime sector. The newly found knowledge by Eli Moshe at university and the practical work experience he earned while doing his internship added to the pool of scarce resources to propel the dangerous neighbourhood to prosperity. A significant number of the so-called ‘lost generation’ found employment both onshore and offshore, as riggers, seafarers, cooks, cleaners, welders, and so forth. According to anecdotal evidence, the labour absorption rate even exceeded the levels of the oil boom in the Middle East. Furthermore, women also joined the bandwagon and supported the growing economies by being gainfully employed in social and economic programmes and the protection and preservation of the environment, especially the coastline that had been neglected for decades. In addition, significant amounts of money were poured in to protect and preserve the vulnerable marine life and ecosystems in the Levant Basin Province.

Expansionary government policies and programmes became possible due to new sources of government revenue from mainly exploration concessions and royalties from hydrocarbon production. National treasuries became flush with revenue, which was used mainly for reconstruction efforts, economic development and the building of a dual-fuel capability infrastructure for the generation of energy. Any surplus was invested in nest eggs, in the form of sovereign wealth funds. Funds deposited or invested in the latter were ring-fenced for a minimum period of 50 years, which was at the time half the estimated life of the Levant Basin Province hydrocarbons.

The funds were designed to be a safety valve or net for future generations, for the purpose of reinventing themselves to sustainably continue to have a higher standard of living. In addition, the funds were meant to enable future generations to invest in alternative energy sources, cleaner production and energy efficiency.

The cities of Gaza, Cairo, Tel Aviv, Nicosia, Beirut, and so forth were developing knowledge-intensive industries at a very fast pace. Social and economic infrastructure was upgraded and city living spaces were modernised to take care of decades of neglect, as a result of overcrowding and relentless wars. Joint infrastructure projects, which were coupled with the prudent and responsible exploration and exploitation of hydrocarbons, were executed with military precision. These projects were mainly on time, on budget and beneficial to all the countries that were part of them. The levels of cooperative governance in the dangerous neighbourhood surpassed even those of established economic unions, customs unions, and so forth. Multilateral summits were held every quarter to thrash out programmes, especially the benefit-sharing programme, export quotas, downstream processing and value-addition capabilities, and the two important social programmes for cohesion and inclusion. The funding of the latter two programmes was budgeted for centrally, at the level of the Multinational Commission of the Magnificent Seven (MCM-7) (the formal name created by treaty). This body monitors and enforces the treaty and is permanently based in East Jerusalem. The head of the Secretariat serves a maximum period of five years on a rotational basis among the members of the dangerous neighbourhood.

For Eli Moshe, born a goatherd boy and now an underwater archaeologist who works undersea in the great depths of the Levant Basin Province, these positive developments are dreams come true. His generation has lived all these experiences and will continue to live them for many years to come. His friends and family call him Poseidon, the God of the Sea, due to the nature of the work he does. Figuratively, his palace (workplace) is on the seabed; his daily tasks are to keep the sea calm (monitor seismic activity and undersea earthquakes) and to restrain the Leviathan (prevent fatalities related to oil and gas rigging). The small contributions that working people like him make the spirit of the 50-year Treaty of Convenience. This has made the dangerous neighbourhood great again, as it once was. The undisputed observation by people from outside the dangerous neighbourhood is the ubiquitous higher standards of living and the lived experiences of the population.

### **Apate scenario**

Seattle, Washington, is experiencing one of its wettest and coldest Decembers in recent memory. It is 2 December 2030, and Mrs Sarah Barel, a native of 'the Evergreen State', has a visitor, Ms Beth Smiths, a young journalist from Postremo Daily. Sarah was detained without trial in an underground maximum-security prison in Tel Aviv on suspicion of collaborating with the enemy. Her alleged crime was the ownership and operation of an orphanage for children who were victims of a war that had been raging for more than 16 years. She pleaded her innocence and alleged that she was a victim of mistaken identity and unfair treatment. She was released after spending four years and six months in the women's section of the prison. Her release was part of an agreement by all warring factions to clear prisons of women and children in order to 'humanise' the war.

The purpose of Beth's visit was to highlight the suffering of women and children in the so-called 'Operation Guardian Angel', a war that was declared by US President Moat Roomys on his first day in office. The military action was meant to retaliate against the 'unprovoked military attack' on Israel's hydrocarbon interests in the Levant Basin Province, specifically, the egregious aerial attacks of Guernica Drilling Ltd oil and gas installations, which caused massive loss of life (at least 872 people were confirmed dead) and the economic devastation of Israel's energy sector. Beth's brief was to write a human-interest story to fill the middle pages of the following Wednesday's print edition. However, Sarah had a different agenda. She narrated her story as follows:

*It was not them, it was us from the word go!* While in prison I befriended a lady from Tucson, Arizona, by the name of Mary Finkelstein. She died of pneumonia while in prison. She worked for 'The Firm' and was assigned at a young age to the Tel Aviv Bureau as an analyst for the Middle and Near-East Region. She worked hand in hand with her counterparts in Mossad to collect, analyse and report on intelligence to her superiors both in Jerusalem and Langley. In the summer of 2012, she and her colleagues intercepted a signal communication. An undisclosed large donation was made to one of the political action committees that supported the election of one of the candidates in the 2012 presidential race. It was nothing extraordinary at the time. The elections were bitterly contested and Governor Moat Roomys won the election (and went on to be re-elected for a second term) with the thinnest margin in history. The bombshell was when he declared war on Iran on his first day in office as president. The pretext of the war was the alleged hostile attack on Israeli hydrocarbon interests in the Levant Basin Province. The war wreaked devastation in Iran, which still remains without any form of a government in control. Its cities, towns and neighbourhoods have been made inhabitable, probably for many decades to come. The military retaliation by Israel and the US was unprecedented and callous. Lebanon, Palestine and Syria met the same fate, albeit less severe. The US and Israel took occupation of all three of these countries, including their oil and gas interests. The beneficiaries of the war were the US, Israeli, United Kingdom and French energy firms. Israel and Cyprus became complementary world energy hubs. Most of the oil and gas to Europe was transmitted to Europe via an undersea pipeline from Israel. Turkish and Russian energy interests lost out and were severely affected.

In 2020, most of the conventional war was concluded and the next phase of the conflict was the containment and elimination of insurgents who operated in all countries of the dangerous neighbourhood. This phase of Operation Guardian Angel inflicted deep wounds on Israel, the United Kingdom and France. These countries swiftly reciprocated. The war was fought on many fronts;

many continents and many nations were feeling the brunt. Oil and gas prices became unaffordable for many nations, and economic development either stagnated or declined in many of them.

On her routine visit to Lebanon, Mary overheard a conversation in a bar area of one of the swanky hotels she was staying in. A Swiss couple that was watching Sky News were lamenting that POTUS 45 and his acolytes manufactured the war in the same hotel. They alleged that a Lebanese businessman and his US business counterparts had a 4<sup>th</sup> of July moment, an exchange of pleasantries to support the campaign and candidacy of POTUS 45. When she arrived at her Tel Aviv office, she used her analytical skills to trawl the database of The Firm and other related agencies for any 4<sup>th</sup> of July logs, issues and matters that have been marked as out of the ordinary that related to Lebanon. No entries were found, except the signal communication she worked on. The origin of the message was the US headquarters of Guernica Drilling Ltd, based in Omaha, Nebraska. The Chairman of Guernica Drilling Ltd, a Lebanese businessman of Jewish descent, was confirming a donation of US\$10 million to one of the political action committees that was advocating the election of Governor Moat Roomys to be President of the US. Mary was flabbergasted. She had missed the most important piece of the puzzle in 20 years! It was all there for her to see, in her personal logs and trove of files. The paper trail started in 2009 when an agreement sealed in blood for a 'better future' was made by 12 gentlemen of substantial means, in Cheyenne, Wyoming, to complete the "securing of the realm". General Oliver Patriot (ret) (and now deceased) was the forerunner, and his operations were located in his vast farmhouse, which was located 18 miles north of McLean, Virginia, away from prying eyes yet within spitting distance of The Firm. The agreement was that each member of the group would fund the operations via his investment holdings to avoid any suspicion. The plan was executed mainly in four countries: the US (central command, aka The Barnyard), Lebanon (finance, aka The City), Israel (intelligence, aka Pinocchio) and Taiwan (high-tech manufacturing and logistical support, aka Hawkeye). Each country had an operations head with a core staff of four people, except in Lebanon where there was only one person. All people involved were US citizens, except the Lebanese businessman.

The plan to secure the realm was very simple; it had two prime directives, namely (1) to secure the election of an amenable US President who represented the strongest values of the Conservatives and (2) to topple the remaining countries that formed part of The Clean Break: Securing the Realm. The prize was the control (not ownership) of all oil and gas interests in the Levant Basin Province for the US in order to preserve the American way of life.

- The Barnyard identified and vetted POTUS 45 and promoted his

candidature as the 45<sup>th</sup> President of the US Members of the group and their surrogates (private individuals and corporations) funded the 2012 presidential campaign handsomely. Their candidate won in November 2012, and the rest is history.

- The City was used as a front to launder money to finance the operations and had set up 36 business entities in the US to channel funds for the activities of the group, including surrogate entities such as political action committees. There is no evidence that funds were ever donated or channelled to the official campaign of POTUS 45 by The City.
- Pinocchio sourced detailed blueprints and key software for operational military drones for cloning. In addition, key materials for stealth enablement and radar deflection were also stolen and shipped to Taiwan via diplomatic bags. Pinocchio lubricated and fed the hostile rhetoric of war.
- Hawkeye was under a tight schedule to build, test and deploy a drone that was fit for the purpose of attacking a sea-based target. The artillery in the drone was Israeli designed; however, it was manufactured and assembled in Taiwan. The oil and gas assets of Guernica Drilling Ltd in the Levant Basin Province were the targets. Guernica Drilling Ltd was a Tel Aviv-listed company of mixed financial performance, albeit with a strong balance sheet and cash reserves. The company had 1 217 employees in three countries on its payroll.

Before Mary died, she gave me this newspaper clip and a key to a safety deposit box in Switzerland. God bless her soul. All the necessary bank codes and authorisations are handwritten on the back of the newspaper clip.

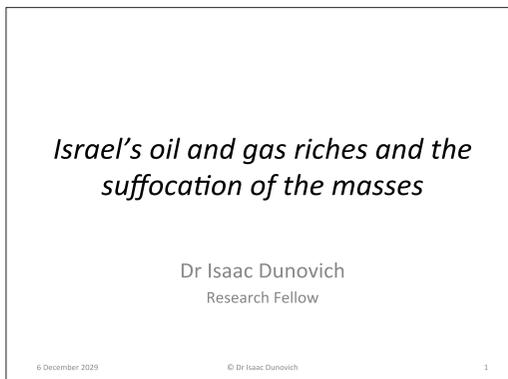


Figure 1. News clip – Postremo Daily  
Source: own elaboration

Beth was stunned and in tears. She clutched the piece of paper and the key from the elderly woman and mumbled inaudibly, "Apatē is alive, we have been deceived." In Greek mythology Apatē is a goddess of deceit, fraud and deception.

### **Diaspora scenario**

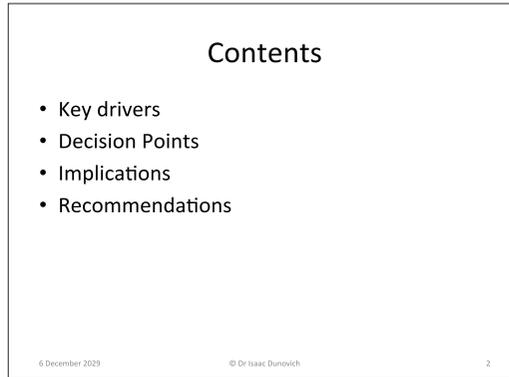
The US Congress tasked Dr Isaac Dunovich, a research fellow at the Kennedy School of Government, Harvard University, in May 2029 to investigate the disintegration of Israeli society under the successive governments of the Likud Party. Dunovich's report titled Israel's oil and gas riches and the suffocation of the masses was tabled at a special sitting of both chambers in December 2029. A PowerPoint presentation was made to the joint sitting of the US Congress as follows:



*Figure 2.* Slide 1: Cover page  
Source: own elaboration

#### Presenter notes:

I wish to thank the members of the US Congress for affording me the opportunity to investigate the disintegration of our long-time ally, Israel, under the successive governments of the Likud Party. A 1 449-page report, in three volumes, has been produced and submitted to the Clerk of the US House of Representatives for consideration. I have prepared a seven-slide presentation to provide a concise account of the investigation in terms of the Congressional Brief provided to me by the Clerk of the US House of Representatives.



*Figure 3.* Slide 2: Contents page  
Source: own elaboration

Presenter notes:

The report is structured in four parts, namely (1) Key drivers, (2) Decision points, (3), Implications and (4) Recommendations.



*Figure 4.* Slide 3: Key drivers  
Source: own elaboration

Presenter notes:

*Oil and gas bonanza:* In 2010 Israel was blessed with the discovery of untold riches of undersea oil and gas resources in its territorial waters. The Levant Basin Province bonanza was the second largest hydrocarbons find in more than a decade. The oil and gas rush brought in the best and worst of compatriots from all over the world.

*Corporate greed:* The ruling political factions in Israel, led by the Likud Party, collaborated with private sector oil companies to allocate lucrative long-term oil and gas concessions. The scheme was run on the basis of “I scratch your back, you scratch mine”. The major benefactors were the traditional political funders of the party; hence, the fleeing and looting of the

state became a self-serving enterprise. Legitimate funds that were supposed to be paid over to the Treasury ended up in tax havens such as Switzerland and the Caymans.

*Restrictions of press freedom:* In 2014 the Likud Party and its coalition partners passed legislation in the Knesset that limited press freedom. All media outlets and journalists in Israel were required to register with the newly created Bureau of Information, a division within the Israeli Defence Force, or face closure. Journalists who did not comply faced a mandatory 10-year imprisonment and subsequent banishment from Israel. Journalists who operated in Israel were forced to be the government's pied piper, and they readily obliged under the guise of patriotism. The political-media complex became an effective tool to spread a distorted political and economic narrative that allowed atrocities against 'enemies of the state' and the gagging of legitimate concerns. The media turned out to be complicit in the oppression of Jewish people, especially the sowing of divisions in a nation that has endured persecution during the Holocaust.

*Religious intolerance:* Israel, once a multireligious country, outlawed all other religions, except Judaism. The Knesset passed a law to protect the character of the Jewish state. English and other languages were outlawed in government buildings and synagogues. This was a very divisive development. This law caused at least 36% of the population to leave the Promised Land. Ironically, all Israeli Arabs left all parts of Israel and sought refuge in neighbouring countries, including in occupied territories. This was a process of forced removal at gunpoint!

*Spatial aesthetics:* Most Jewish people who came to Israel since the creation of the State of Israel did so under the auspices of the creation of a homeland and a safe refuge for people of Jewish descent. They never wanted or imagined a country that looked like a garrison. Israel had become an eyesore! Since the Likud Party had gone rogue, every community had multiple checkpoints manned by both permanent and reservist members of the Israeli Defence Force. Freedom of movement was severely restricted. There were soldiers everywhere and the usual tourists were nowhere in sight. Eavesdropping by government security agencies became legendary and ubiquitous. Most communities became ghost towns due to the exodus of people to greener pastures elsewhere.

*International isolation:* An embattled Israel became the target of successful international cultural and trade sanctions. At the forefront of these punitive developments were Jewish people who had left Israel in protest. However, the US remained a steady ally and a reluctant accomplice in the destruction of the "land of milk and honey". Over the period 2012–2029, Israeli trade with the world shrank by an estimated 83% in real terms.



Figure 5. Slide 4: Decision points  
Source: own elaboration

Presenter notes:

*2012 – Going rogue:* Sometime in 2012, the Jewish population lost patience with and its appetite for the continued belligerence and lawless conduct of the Israeli government. Life in Israel had become unbearable for the Jewish people. Only the elite were benefiting from a system that was skewed to benefit the wealthy and its influence-peddling cronies. Unbearable policies and legislative measures were introduced by the Knesset to reverse the gains of democracy and freedom, which were taken for granted by ordinary citizens. In 2012, Prime Minister Benjamin Netanyahu began the process of taking Israel back to the dark ages, a process described as ‘going rogue’ by a member of his ‘inner circle’. Freedom of speech became a luxury reserved for members of the inner circle and it was decreed as such. Even members of the Knesset who spoke ill about the conduct of the government within the precinct of the legislature were banned and lost their privileges. What was at stake were the untold riches of the Levant Basin Province, which were concessioned to business associates in Israel and the US. According to the ‘rule book’ of those in the know, national interests had to meet one critical requirement: the furtherance of the business interests of the political elite and its business tycoons.

*2013 – Pre-emptive (or premeditated) strike?* In January 2013, the Israeli Defence Force conducted a massive aerial attack on Iranian strategic military sites. That action took both the US and Israeli society by surprise. The aerial assault lasted 13 days and disabled both the air and sea defences of the Iranians. The UNCLOS acted swiftly in condemning the unprovoked action; however, the US vetoed any action against Israel. In hindsight, this was a strategic mistake by the US as the veto emboldened the Israeli government to continue with its premeditated military attacks against Palestine, Lebanon and Syria. These attacks were primarily designed to pave the way for the concessioning of oil and gas fields in the Levant Basin Province.

*2016 – Ethnic cleansing:* All Israeli Arabs were removed from Israel at gunpoint or under threat of detention without trial. A house-to-house raid was undertaken to rid Israel of non-Jewish influences. Hebrew became the only





Figure 7. Slide 6: Recommendations  
Source: own elaboration

**Presenter notes:**

*Conditional US support:* The US should continue to support Israel under strict conditions. For instance, the country must return to its democratic roots and traditions, and no more wars are to be waged against its neighbours. The Knesset must adopt a constitution that upholds the humanity, dignity and equal rights of all those who live in the country.

The US should provide security to Israel for a period of at most 30 years, to be reviewed at five-year intervals. A non-interest-bearing loan for rebuilding efforts should be provided to support reconstruction and the building of democratic institutions. The revenues from the oil and gas resources of the Levant Basin Province must be used as collateral for the loan. The period of the loan should not exceed 30 years, payable in equal annual instalments.

*Israel under UN administration:* The UN Security Council should place Israel under administration until a new constitution is adopted and elections are held. An administrator will run the country for a period not exceeding five years, up to 2035, whichever comes first.

In conclusion, there is hope for Israel. I hope that the Jewish people will one day return, as they always have.

**Options for the future**

It is undeniable that the discovery has procured significant political and economic leverage for Israel over its friends and foes. However, what would happen if other renewable sources of energy matured and became cheaper than oil and gas? Solar and wind energies do not need huge transportation infrastructure and attendant costs as natural gas and oil do, possible sabotage disappears. This could be a wild card / black swan scenario if lasting peace and prosperity is not achieved and Israel could possibly lose its once in a lifetime natural leverage. This could be a potential future game changer flickering in the horizon! Based on the outcomes of the scenarios the following questions with regard to their strategic implications are posed and discussed:

**Strategic Implication 1: Virtuous leadership - the creation of an enabling environment for the realization of lasting peace and prosperity**

Strategic Question	Possible Solutions
Is the leadership of Israel audacious enough to lead their people to peace and prosperity in any of the multiple and equally plausible futures environments they may be facing?	<ul style="list-style-type: none"> <li>a) The political and diplomatic isolation of Israel must compel the Israeli government to practise realpolitik.</li> <li>b) The Knesset must pass a law to recognise the State of Palestine;</li> <li>c) Israel must recognise and accept the jurisdiction and resolutions of UNCLOS;</li> <li>d) UN Security Council must pass a resolution that rescinds all negative references towards the State of Israel and its symbols;</li> <li>e) East Jerusalem must be declared a joint territory of both Israel and Palestine</li> <li>f) A Joint Territorial Management Agency must be created by treaty between the State of Israel and the State of Palestine for the governing of East Jerusalem;</li> <li>g) Israel and Palestine enter into a benefit-sharing agreement, by way of a treaty, which allows for the sharing of all Levant Basin Province oil and natural gas reserves on an equal basis;</li> <li>h) Arab League must pass a resolution to rescind its boycott of Israel and begin normalisation of relations;</li> <li>i) Israel and Palestine must establish friendly diplomatic relations and open their new embassies in East Jerusalem;</li> <li>j) Demilitarisation under the auspices of the UN; and</li> <li>k) Israel's interests need not necessarily be congruent with and subservient to those of the US; rather, they must be symmetrical.</li> </ul>

The realization of peace and prosperity for most is an ideal that most Israelis, Palestinians and members of the dangerous neighbourhood desire and prefer. The current generation of leaders in these countries have a moral duty to do right to their people and countries. The Poseidon scenario vividly illustrated that it is both desirable and preferable to do so. This scenario is unlikely with the current cohort of leaders in both Israel and Palestine. The baggage of the past is hindering their focus on the future. A new generational mix of leaders, who are virtuous, would be required to pluck Israel and Palestine from the abyss of hopelessness and war.

**Strategic Implication 2: War, war and more wars!**

Strategic Question	Possible Solutions
Is war inevitable due to the oil and gas bonanza?	<p>Brute force against the Palestinians and its collaborators would be the solution to exert regional dominance and exploit the hydrocarbons of the Levant Basin Province.</p> <p>Israel would reserve the right to respond proactively by:</p> <ul style="list-style-type: none"> <li>● Suspending human rights in occupied Palestinian territories;</li> <li>● Introducing permanent curfews and executing targeted assassinations;</li> <li>● Clamping down on domestic dissent;</li> <li>● Censuring the security establishment;</li> <li>● Conducting cross-border military manoeuvres in occupied territories and elsewhere; and</li> <li>● Introducing draconian laws to legitimise the land grab programme, expropriating economic assets and executing ethnic cleansing of non-Jews.</li> </ul>

The Israeli and Palestinian population are very rational societies. The successive wars and conflicts are possibly as a result of deliberate deceit, fraud and deception. The persecution of Jewish people is still fresh in the psyche of ordinary Israelis and Palestinian. So as the successive wars that have taken place in the name of protecting of seizing a homeland of either the Israelis or the Palestinians. War, war and more wars would in more likelihood reign because of political and religious leaders who glorify ghastly and deadly outcomes. The lucrative and thriving industry supports these outcomes and it is not going to let up soon its cash cow. The discovery of oil and natural gas in the Levant Basin Province adds to the complexity and uncertainty of finding a possible desirable and preferable future for both the Israel and Palestinians. The war industry hinges on an outcome that is diametrically opposite to lasting peace and prosperity.

### Strategic Implication 3: Securing a homeland at all costs

Strategic Question	Possible Solutions
Is the desire of a homeland for Israelis and Palestinians a zero-sum game?	<p>Israel must expropriate Palestinian land and maritime waters “regularly and systematically” (Siegman, 2010a), without any regard to the creation of a viable future Palestinian state. This can only be achieved by:</p> <ul style="list-style-type: none"> <li>● An increase in security investment by the Jewish state (personnel, high-tech surveillance, eight-metre-high concrete boundary walls, etc.);</li> <li>● The occupation and incursion of the Palestinian territories;</li> <li>● The establishment of a network of checkpoints to curb freedom of movement;</li> <li>● Indiscriminate bombing and shooting of Palestinian civilians;</li> <li>● State-sponsored assassinations;</li> <li>● The destruction of the socioeconomic freedom of Palestinians;</li> <li>● The promotion of conflict among Palestinian political factions (Siegman, 2010a); and</li> <li>● The perpetuation social decay in occupied territories in order to contrast it with “the only democratic State in the Middle East” (Siegman, 2010b).</li> </ul>

This would be a dangerous and wicked adventure that would result in the massacre of innocents and the continued daily deprivation of Palestinians of productive land, livelihoods, state and country. This future is undesirable and not preferable.

### Conclusion

The eastern Mediterranean is a complex environment that is evolving on a daily basis. The discovery of oil and gas has added more complexity and uncertainty in the region. Tempers and rhetoric are very high. The use of violence by State organs and other formations is well documented and does not require repetition here. The use of scenarios can assist to demonstrate vividly what could happen if different drivers, trends and events interact with each other. The Poseidon, Apate and Diaspora scenarios described alternative futures of the Levant Basin Province. The use of these futures concepts leads to a preferable desired end state for the dangerous neighbourhood in the form of the Poseidon scenario. The other two scenarios (Apate and Diaspora) are neither preferable nor desirable. It is important to note that it is only the members of the dangerous neighbourhood who can resolve whether the discovery of oil and gas in the Levant Basin Province leads to an energy bonanza or an abyss to a never-ending conflict.

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