Tomorrow's Affairs
Analysis of today
Assessment of tomorrow

By: TA | AP Insight

Argentina failed to block oil drilling off the Falklands



Argentina's bid to temporarily block oil drilling off the nearby U.K.-held Falkland Islands was rejected Saturday by an international tribunal that rules on maritime disputes.

The International Tribunal for the Law of the Sea voted 18-3 against Argentina's request to halt drilling at the Sea Lion oil project in the waters of the Falklands, which lie about 300 miles (480 kilometers) off Argentina's coast.

The judges, in a ruling read in Hamburg, Germany, found that Argentina's case couldn't be decided without resolving the wider sovereignty dispute over the islands, which Britain has held since 1833.

That question, they said, falls outside the scope of the U.N. Convention on the Law of the Sea, the treaty governing the world's oceans.

The dispute over the planned drilling in the South Atlantic revived bitter memories of 1982, when Argentina's military junta invaded the islands, sparking a 74-day war that killed 649 Argentine troops, 255 British soldiers and three islanders.

U.K. praises ruling while Argentina vows to fight on

U.K. Foreign Secretary Ed Miliband and Attorney General Ellie Reeves welcomed the decision and urged Argentina to end its wider economic pressure.

"This outcome is a vindication of the U.K.'s robust legal defense and strategy," they said in a joint statement. "The U.K. has no doubt of our sovereignty of the Falkland Islands, our sovereignty and sovereign rights over the surrounding maritime areas, and the right of self-determination of the Falkland Islanders."

In a 2013 referendum, more than 99% of voters in the territory of roughly 3,500 people chose to remain British.

Argentina, which refers to the islands as the Malvinas, rejects the result, arguing the population was put there illegally and cannot decide the fate of the territory.

> Argentina wanted work on the $2.1 billion project frozen until an arbitration panel rules on the full dispute

The government of President Javier Milei found a bright side in Saturday's defeat.

By tying the case to sovereignty, his administration argued, the court had effectively recognized the existence of a dispute that the U.K. has long refused to negotiate on.

The ruling was only preliminary, the opening round in what could be a lengthy legal battle.

"This decision is not the last word," Milei's office said.

Foreign Minister Pablo Quirno also sounded triumphant, hailing the ruling as "a historic step" and vowing to press on "with more determination than ever."

Argentina wanted work on the $2.1 billion project frozen until an arbitration panel rules on the full dispute.

It contended that every barrel of oil extracted would be lost to Argentina for good, causing irreparable harm to its claim over the area's natural resources.

The U.K. countered that Argentina's challenge was, at its core, a claim to sovereignty.

Under the U.N. treaty, rights over the sea belong to whichever country owns the nearby coast, so the court couldn't rule on the case without settling that question.

The judges agreed, finding that all of Argentina's arguments, even those about environmental risks from drilling, hinged on the dueling claims to the archipelago.

Milei goes on the offensive

Milei vowed Saturday to keep punishing companies working on the oil project, which he has called a “clear and present danger” to Argentina’s claims over the islands.



Milei vowed to keep punishing companies working on the oil project

His government said Saturday it had opened five new sanctions cases, warning that “those who participate in the illegitimate exploitation of our resources will have to face the consequences.”

The hard line marks a turnabout for the libertarian. Milei is an admirer of Margaret Thatcher, who was U.K. prime minister during the war over the Falklands.

He took office in 2023 striking a conciliatory tone on the islands and seeking warmer commercial ties with Britain.

But his tone has sharpened as his popularity slips and the economy stalls a year before his reelection bid.

He has also appeared encouraged by signals from his close ally, U.S. President Donald Trump, that Washington could rethink its neutrality in the dispute.

Oil project pushes forward

Following the ruling, Israel’s Navitas Petroleum and Britain’s Rockhopper Exploration, the companies developing Sea Lion, are expected to push ahead under licenses granted by the Falkland Islands government and backed by the U.K.

The decision came as a relief to the people of the Falklands, who have long dreamed of oil transforming their lives and their fishing-dependent economy.

“This is a good day for the Falkland Islands,” the islands’ Legislative Assembly said in a statement. “Sea Lion will transform our economy and give future generations a more secure and self-reliant Falklands.”

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Drilling at the field, about 220 kilometers (137 miles) north of the islands, is set to begin in March 2027, with oil expected to flow a year later.

The U.K. committed to that timeline before the court, giving the arbitration panel time to take up the case before any oil is pumped.

Argentina’s pressure on the project goes beyond the courtroom in Germany. It has filed criminal complaints at home against Navitas and other firms, and sent aggressive warning letters to some 180 companies and individuals across 30 countries with ties to oil activity around the islands.

With one of the world’s largest shale reserves, Argentina has a far bigger oil industry, giving companies that already operate there reason to steer clear of Sea Lion. Last month, Navitas said that it was replacing two contractors that had backed out over Argentina’s threats.