

# Egypt starts gas exports to Israel



OIL DEAL: Egyptian President Hosni Mubarak (R) meets Israeli Infrastructure Minister Binyamin Ben Eliezer in Cairo in 2005. (AFP)

Egypt has started exporting gas to Israel in accordance with a 2005 deal, an Israeli source said on Monday, with the move set to irk the country's powerful Islamist opposition.

"Egyptian gas has been flowing to Israel since last week but it has not yet been integrated into the Israeli network for procedural reasons," the source told newswire AFP, adding that the pipeline would be fully integrated "in a few days".

The new underwater pipeline runs 100 kilometres (63 miles) from the Egyptian Mediterranean city of El-Arish to the Israeli port of Ashkelon, supplying gas pumped from a gasfield in the north of the Sinai peninsula.

The Egyptian side has remained virtually silent on its progress since a memorandum of understanding was signed in 2005.

The MOA provided for the export by an Egyptian-Israeli consortium, East Mediterranean Gas (EMG), of 1.7 billion cubic metres (60 billion cubic feet) of gas a year over 15 years for a total of \$2.5 billion.

Egypt in 1979 became the first Arab country to sign a peace deal with the Jewish state, but since then the nation has refused "normalisation" of relations until Israel hands back occupied Arab lands.

Egypt's Muslim Brotherhood opposition, which controls a fifth of seats in parliament, is opposed to exporting gas to Israel because of what it calls the country's punishing blockade of 1.5 million Palestinians in the Gaza Strip.

Brotherhood MPs have said that the Egyptian government is committing a "crime" against the Palestinian people by supplying Israel with gas.

Shareholders in the Cairo-based EMG include Egyptian businessman Hussein Salem and Yossi Maiman, who heads the Israeli multinational Merhav.

Another gas supply contract was signed in 2006 between Israel's Dorad Energy and EMG, worth two billion dollars over 15 to 20 years. Dorad is due to complete Israel's first private power generator in Ashkelon by the end of 2009.

Egypt's national gas production in 2007 was 62 billion cubic metres (2,135 billion cubic feet), according to the oil ministry, of which 28.8% was exported.