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EGPC, EGAS to follow-up on annulment of 'flawed' ruling on Israel gas imports

IEC said it has no further announcements than the ones made on 6 December, in which it said it will act to collect the awarded amount

By Sara Aggour

The Egyptian General Petroleum Corporation (EGPC) and the Egyptian Natural Gas Holding Company (EGAS) will continue to follow-up on the annulment of the International Criminal Court's (ICC) ruling before Swiss courts.

EGPC and EGAS consider the ruling to be "seriously flawed", a media official at Shearman & Sterling LLP, Nanou Leleu-Knobil, told Daily News Egypt.

The companies believe the ICC "based its decision on an excess of its jurisdiction and powers and reached its decision following a procedure plagued by serious violations of due process".

The company official highlighted, however, that the tribunal awarded the Israeli companies a fraction of what it requested in damages.

The East Mediterranean Gas Company (EMG) requested \$1.5bn but was granted \$288m, while the Israel Electric Corporation (IEC) was granted \$1.7bn, almost half of the \$3.8bn it requested.



The ordeal began following the 25 January Revolution in 2011 after Egyptian authorities suspended a 20-year agreement due to security issues

"It should also be recalled that, on 27 November 2013, the ICC Tribunal had accepted EGPC and EGAS's request to dismiss an additional claim of \$1.2bn brought by EMG for

being untimely," Leleu-Knobil said.

Following the announcement of the ruling, the Egyptian government froze negotiations between companies to import

gas from Israeli fields or grant import approvals until the legal position of the arbitration ruling against Egypt and the results of its appeal become clear.

"Egypt behaved as a country

with sovereignty and dignity when it reacted to the fine of the international arbitration," said Egyptian businessman Alaa Arafa, one of the founders and partners in the Egyptian Delphinus Holdings that negotiates to import Israeli.

On 9 December, Israeli Prime Minister Benjamin Netanyahu sent a special envoy to Cairo for talks about the Swiss court's decision.

Daily News Egypt contacted IEC, which stated Sunday that the only comment it can give on the issue was the one published on 6 December.

"The company shall act to collect the amount to which it is entitled under the arbitrator's award," IEC's announcement had read.

The Egyptian-Israeli ordeal started following the 25 January Revolution in 2011, when Egyptian authorities decided to suspend a 20-year agreement, beginning 2008, to supply Israel with natural gas, due to security issues. The Israeli government filed a lawsuit in response in 2012, claiming losses due to the suspensions.