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Petroceltic EGPC

EGYPTIAN GOVERNMENT DRAWN INTO ENERGY DISPUTE

In a development that will potentially damage Egypt's reputation as a place for foreign investment, the Government of Egypt has now become a party to the dispute between the UK energy company Petroceltic and EGPC.

Petroceltic are in dispute with EGPC because of its failure to pay off its debts to the UK company and breaches of gas sales agreements.

Arbitration proceedings between Petroceltic and EGPC before the International Centre for Settlement of Investment Disputes are being initiated.

But in a major new development Petroceltic have now filed a case against the Government of Egypt stating that under the agreement entered into on 24 February 1976 between the UK Government and the Government of Egypt for the Promotion and Protection of Investments, the Petroceltic dispute with EGPC is one that comes within the terms of this international agreement.

In its claim Petroceltic has asserted that the Egyptian Government failed to give fair and equitable treatment to its investments in Egypt; denied Petroceltic its rights to enjoy and dispose of its investments due to unreasonable and discriminatory measures and failed to observe its obligations with regard to investments made by Petroceltic.

Commenting on this development, Angelo Moskov the Chairman of Petroceltic said "Involving the Egyptian Government is not a step we have taken lightly. We have given long and hard consideration to this approach. We do not think we are being treated fairly and that this is a clear contravention of the Agreements entered into by the UK and Egyptian Governments. The present situation is unacceptable and needs to be resolved as a matter of urgency."

ENDS

Petroceltic Group

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