

UK firm seeking Gaza gas deal

By [Global Research](#)

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The UK firm BG Group is poised to agree to the terms of a USD 4b deal to supply Palestinian gas to Israel from a discovery off the Gaza coastline.

Representatives from the British energy company are scheduled next week to meet a team of negotiators chosen by the Israeli cabinet to thrash out a 15-year contract, according to a report in the Times on Wednesday.

If a deal is reached it would enable BG to develop an offshore field, controlled by the Palestinian Authority, which it discovered in 2000.

The project has been beset by problems since BG discovered the field, which it says contains one trillion cubic feet of gas, with Israel previously vowing never to buy gas from Palestinians.

However, BG is now hoping to sign a \$4bn deal for a 15-year gas supply contract with the Israeli government. The Palestinian Authority would receive \$1bn in royalties.

Under the proposals, BG would transport gas from the Gaza Marine field through an undersea pipeline to the Israeli port of Ashkelon.

Although Israeli insiders are confident of a deal, significant questions remain, not least how payments to the Palestinian Authority will be made. Israeli defense authorities want the Palestinians to be paid in goods and services and insist that no money go to a Palestinian government led by Hamas.

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