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Egypt Probes Source of Red Sea Oil Spill, May Limit Rigs in Gulf of Suez

By Ola Galal and Daniel Williams - Jun 22, 2010

Gobs of oil floated to the shore of Egyptian Red Sea resorts for a fifth day as the government said it had yet to discover the source of the pollution and may reduce the number of rigs operating in the nearby Gulf of Suez.

Petroleum companies, government agencies and local authorities are cleaning up the "limited" spill and four ships were sent to the waters near Hurghada, a tourist hub, to prevent any more crude from reaching the beaches, the [Oil Ministry](#) said in a faxed statement.

"Everything will return to normal in a very short period," the ministry said, without giving further details on the impact of the spill or its origin.

Egypt has been developing its eastern coastline to encourage tourism, which earned the country \$15.4 billion last year and is its biggest source of foreign exchange revenue, according to the Tourism Ministry. More than 180 rigs also operate in the Red Sea and the Gulf of Suez, according to the Oil Ministry, although production from the area has declined in the past decade.

Total Egyptian oil output averaged 742,000 barrels a day in 2009, compared with a peak of 941,000 barrels a day at the end of 1993, according to the BP Annual Statistical Review of World Energy.

Environmental activists and private tourism companies say they are mystified by the government's inability to find the source of the spilled oil. Amr Ali, managing director of the [Hurghada Environmental and Conservation Association](#), a non-governmental organization, said his group videotaped oil in the waters surrounding a drilling platform in the northern Red Sea run by Petrogulf Misr, a state-run company formerly known as Geisum Oil Co.

Responsibility

"No one is taking responsibility for this," Ali said in a telephone interview from Hurghada. Ehab Yosri, an official at Petrogulf, said by phone in Cairo he could not discuss the matter and referred inquiries to the Oil Ministry.

The source of the spill could not be Petrogulf because its rig was continuing to produce oil, Hamdi Abdel Aziz, an Oil Ministry spokesman, said today by telephone in Cairo. Officials from the environment and oil ministries are analyzing samples of the oil, he said.

More than 20 kilometers (12 miles) of coastline, from El- Gouna in the north to Sahi Hashish in the south, had been polluted by the oil, Al Masry Al Youm newspaper reported on June 19. Only 30 barrels of crude washed ashore near the resort of Hurghada, according to the ministry.

"We are trying to examine all the reasons that could have led to the pollution," said Abdel Aziz, adding that more than 90 percent of the spill had been cleaned up.

Four Possibilities

The ministry gave four possible explanations for the spill in its statement. The oil could have leaked from an offshore rig or a tanker passing in the Gulf of Suez, 10 kilometers from Hurghada, it said, or a leak may have been caused by an attempted sabotage of rig equipment. The crude could have also erupted from rocks on one of the islands off the coast due to high temperatures, it said.

The oil has been visible on- and offshore since June 17, Ali said. Hoteliers and provincial government workers are cleaning the white sand beaches along the Hurghada shore though no effort has been made to collect the oil at sea floating atop coral reefs that are a magnet for visiting divers, said Ali.

"This is a vital area for tourism," said Mohamed Shobaghi, general manager for Aquanaut, a dive center in Hurghada. "I suppose the authorities expect the oil to clean up itself."

Safety issues surrounding offshore drilling have come under scrutiny worldwide following the ongoing oil spill in the Gulf of Mexico on a rig operated by [BP Plc](#), which also operates in Egypt and other Middle Eastern countries.

Offshore Drilling

Libya's top oil official, [Shokri Ghanem](#), said today the reaction to BP's oil spill in the Gulf of Mexico was "somewhat exaggerated." Ghanem, chairman of Libya's National Oil Corp., said at a conference in London that the North African country would allow BP to proceed with offshore drilling.

Egypt's Oil Ministry said today in the statement that by reducing the number of oil rigs in the Gulf of Suez it might be able to monitor those that remain more effectively. Egyptian Oil Minister [Sameh Fahmy](#) has called for the establishment of a fund to fight pollution, the ministry said.

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