

Iraq, Egypt sign energy agreement

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Iraq and Egypt signed an agreement Wednesday to boost cooperation in the energy field in the latest move by the battered country to improve relations with its Arab neighbors.

Iraqi Oil Minister Hussain al-Shahristani said that under the deal, Egyptian oil companies will take part in exploration, drilling wells, developing fields and building plants such as refineries and pipelines.

"There is still a long way to go for Iraq to develop its energy sector and Iraq needs to cooperate with a huge number of companies," he told a joint press conference with Egyptian Oil Minister Sameh Fahmy who was visiting at the head of a delegation.

"We encourage Egyptian companies to come and have a presence on Iraqi soil and we are ready to cooperate in all fields," al-Shahristani said without elaborating.

He went on to say that the two sides also discussed linking Iraq to the proposed Arab Gas Pipeline to export surplus gas to both Arab countries and Europe.

The pipeline originates in Egypt and goes through Jordan and Syria and will eventually be connected to the Nabucco pipeline linking Turkey to central Europe.

For his part, Fahmy said discussions are underway to open offices in Iraq for Egyptian companies.

Iraq's ties with most of its Arab states were severely damaged since 1990, when Saddam Hussein invaded neighboring Kuwait.

