

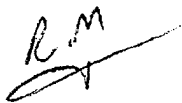
Affidavit

I, the undersigned, Rafiq Maliha, holder of I.D. No. [redacted] having been notified that I must tell the truth and nothing but the truth and that if I do not do so, I will be subject to criminal penalties under the law, hereby declare as follows:

1. My name is Rafiq Maliha. I am the Project Manager-Contracts of the Gaza Power Generating Company (GPGC), the company that generates power in the Gaza Strip. I make this affidavit to inform the Israeli Supreme Court about the consequences of the reduction in industrial diesel on the ability of GPGC to continue to generate electricity for the Gaza Strip.
2. I wish to inform the court that if we are not permitted to receive additional fuel supplies, we will have to reduce plant production to match the fuel received on daily basis. The most practical and easier solution is to shut down one of the two turbines which are currently operating at Gaza's power plant, perhaps as early as Sunday, January 6, 2008, meaning that the plant production will be reduced to about 30 MW out of 140 MW available Capacity @ 11 kV and a current actual production of 56-65 MW.

Electricity supply to Gaza:

3. The Gaza Strip receives its electricity from three sources: Israel Electric Corporation (IEC) ~ 120 megawatts; Gaza power plant – 56-65 megawatts (30%); Egypt – 17 megawatts.
4. GPGC is currently supplying electricity to the Middle Gaza area and the Gaza City area. The Gaza power plant supplies 56 - 65 MW.
5. Since June 2006, following the bombing of Gaza's power plant, in which all six transformers at the power plant were destroyed, we have been in a constant state of deficit. Within minutes, the bombing eliminated approximately 43% of Gaza's total power capacity. Currently, after a long process of restoring the power plant, it is able to deliver between 56 and 65 megawatts. Before the bombing of Gaza

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Power Plant it was producing 118 MW while the full capacity of the power plant, were it to operate under ideal conditions, is 136.9 megawatts.

6. The estimated need of Gaza is approximately 237 megawatts, so we already are suffering from a considerable shortage of electricity and have been since Israel destroyed the local power plant transformers.

Severe Shortage of Industrial Diesel to Operate Power Plant's Turbines

7. The Gaza Power Plant currently operates two turbines that run on industrial diesel (LFO No.2). We also have a steam turbine that runs on the steam produced by the two turbines (combined Cycle). The two industrial diesel-powered gas turbines, together with the steam turbine, currently can deliver about 56-65 megawatts of electricity.
8. We have a third gas turbine, powered by industrial diesel, but we cannot operate it currently because we do not have enough industrial diesel.
9. Currently, now that we are in the winter season, the plant requires a daily average of 360 m³ (360,000 liters) of fuel to operate 2 gas turbines, and if we were to operate the third gas turbine, we would need ~500,000 liters of diesel per day. Our fuel needs are dependant on consumers' load which varies according to season. As an example, we have higher fuel consumption in the winter season than in the fall, because in the cold weather, we need more fuel to run the turbines.
10. Fuel made available to the power plant by Israel is paid for by the European Union through the Temporary International Mechanism.
11. Since reducing industrial diesel supplies on October 28, 2007, we have received, on average, approximately 250,000 liters per day (1,750,000 liters per week).
12. Since then, our fuel reserve stock is depleting, and the daily deficit has risen from approximately 30,000 liters per day to more than 120,000 liters per day.
13. In order to make up for the shortfall, we have been using our reserves. As of late October 2007, our useable reserves were approximately 3,500,000 liters.
14. We try to leave at least two meters of fuel stock in our tanks, because the lower the diesel level, the dirtier the fuel is, and using it is bad for the equipment.

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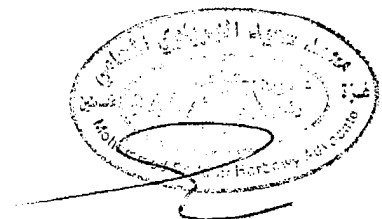
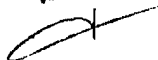


Normal operation of equipment using heavy industrial oil requires a settling period, to avoid taking fuel from the bottom of the storage tank where residues and particulate waste accumulates.

15. From our past experience, the level of main fuel tanks should not fall below one meter. Below one meter, it is not recommended to use the fuel, because it is too dirty. By Sunday morning we expect the fuel tank levels to reach 1 meter on both tanks.
16. In other words, as of today, we have only approximately 1,200,000 liters of usable diesel fuel. With the current rate of fuel consumption, we expect that we will not have enough fuel to operate the 2 gas turbines by Sunday, January 6, 2008, without dipping below the "red line" of reserves – which will endanger the entire system.
17. It should be noted that we are generally not receiving fuel deliveries on Friday or Saturday. In addition, the diesel must "settle" for 12 hours after delivery, in order to avoid taking oil from the bottom of the storage tank. Even when we receive the diesel on Sunday, we would need to wait 12 hours for the fuel to settle.
18. If on Sunday we receive only the level of fuel that we have been receiving since the cuts went into effect, we will either have to shut down one of the turbines or the Palestinian Energy and Natural Resources Authority (PENRA) will have to reduce its load to match fuel consumption, meaning partial operation of each turbine. This is technically very difficult. It is not recommended to reduce load to match fuel consumption. It is inefficient, costly and difficult to control. It might cause disturbances in the functioning of power plant.
19. Depending on whether we reduce load or shut one of the turbines, we will need to reduce production. If we completely shut one turbine, we will be able to produce only approximately 30 MW. If PENRA reduce load, it is difficult to estimate the exact MW that GPGC can produce. This is instead of the 65 MW we currently produce.
20. The results will be extremely detrimental for hospitals, water wells, sewage pumps, and other vital services, which will face tremendous difficulty functioning

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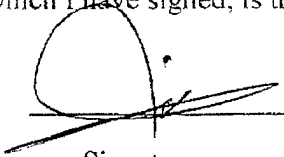
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with such a drastic reduction in electricity supplies. In addition, people cannot receive clean water to their homes without electricity.

21. Even if we receive sufficient fuel on Sunday morning, we may have to shut down one of the turbines, because we would need to wait until the fuel settles 12 hours before using it. It depends how much we use over the weekend, and how much comes in on Sunday morning.
22. Currently, in order to operate the two gas turbines we need approximately 360,000 liters per day (2,520,000 liters per week). In addition, we urgently need 1,800,000 liters of industrial diesel in order to have two meters of reserves.
23. In other words, we desperately need more industrial diesel than is currently permitted to enter Gaza under the military's reduction program. We urgently and immediately need the military to cancel the restrictions it has placed on the amount of industrial diesel that we can receive.

I declare that this is my name, this is my signature, and that the content of the affidavit, which I have signed, is true.



Signature

Jan 3, 2008

Date

I certify that on 3 January 2008, Rafiq Maliha., holder of ID , appeared before me, and after I put him on notice that he must tell the truth and nothing but the truth and that if he does not do so, he will be subject to criminal penalties under the law, he affirmed the truth of this statement above and signed it in my presence.

Attorney Signature

