



THE REPUBLIC OF SOUTH SUDAN
MINISTRY OF PETROLEUM AND MINING



Minister's Office

STATEMENT

By

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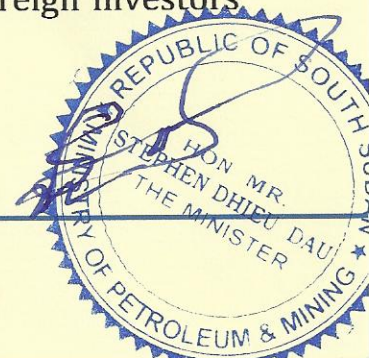
To the Press

**On the Occasion of the Signing Ceremony of Transitional Agreements (TAs)
between the Republic of South Sudan and Foreign Oil Companies**

Juba, January 13th, 2012. It is with great pleasure that I seize this opportunity to welcome you today to this important occasion which is the first of its kind in the history of the Petroleum industry in the Republic of South Sudan. This Republic is the youngest member of the International Community of nations. The Republic is blessed with significant natural resources in form of hydrocarbons mineral resources beneath our soil and we are thankful to Almighty God for this rare gift.

Ladies and Gentlemen, to benefit from these resources, we need foreign investments to provide capital, technology and technical know - how to extract them from where they are located. During bloody history of the Sudan, the then Government dominated by Northern political power elites invited foreign investors and entered into Exploration and Production Sharing Agreements (EPSAs) with them and exploited the oil. These EPSAs did not benefit the owners of these resources as they were supposed to be.

Ladies and Gentlemen, without getting into details of how disadvantageous these EPSAs were, I would like to draw the attention of all foreign investors



who were involved in those EPSAs, that the Government of Republic of South Sudan accepted them at that time but on condition that we were to enter into new EPSAs with foreign investors who would be ready to accept the satisfactory terms which are to be worked out with them.

In this regard, we entered into negotiation and drafting of Transitional Agreements (TAs) with them. This process started soon after the Declaration of Independence on July 9th, 2011. Our Lawyers, Legal Consultants and Technical Teams finally agreed on terms of Transitional Agreements. These Agreements cover the following Blocks;

1. Blocks 1, 2&4 by Greater Nile Petroleum Operating (GNPOC) in Unity State.
2. Block 5A by White Nile Petroleum Operating Company (WNPOC) in Unity State
3. Block 3& 7 by Petrodar Operating Company (PDOC) in Upper Nile State.

Today we have signed these TAs and started new phase of EPSAs in the Republic of South Sudan.

Ladies and Gentlemen, on behalf of Government the Ministry of Petroleum and Mining, I would like to congratulate the President of the Republic of South Sudan and President of People's Republic of China for their commitment towards strengthening bilateral relation between our two nations, my congratulation also goes to the Government of Malaysia and India and their national oil companies for their commitment to provide assistance in term of capacity building and to play a positive role in the socio - economic development of our nation. The Government of the Republic of South Sudan assures the FOCs, that their investment will continue in RSS according to the International best practices in the oil industry. We assure our investors that the RSS is committed to work together with FOCs for mutual benefits for the two Republics.

God Bless you and may God bless the people of South Sudan!!

