

## **National Petroleum Commission's resolutions made publicly available**

A copy of the resolutions of the National Petroleum Commission, numbers 5 and 7-11, has been made available on [www.ecosonline.org](http://www.ecosonline.org). The resolutions resolve the disputes over blocks B and 5B in Southern Sudan. They annul all rights for White Nile Ltd, instead offering the GOSS a 10% ownership through the Yei registered company Nilepet, without any financial risks and obligations attached, identical to Sudapet's share. They also endorse the contract over Block 13 in the Red Sea. The resolutions mark and end to the scramble for Sudanese oil rights. Except for Block 12B, all Blocks have been awarded now.

The deal became possible after Marathon Oil decided to give up its 32.5% interest in the Total-led consortium. It has been aided by White Nile's poor performance on the ground. Marathon has been struggling to find a "qualified" purchaser. 10% will go to the envisaged future Southern Sudanese national oil company Nilepet, while the Kuwait Foreign Petroleum Company (Kufpec) will obtain an additional 2.5% to compensate for having an 20% instead of 10% non-paying consortium members. White Nile will be compensated. The consortium is still looking for candidates to take the remaining 20% of Marathon's share. The composition of the consortium that will exploit the huge block is now as follows: Total 32.5%, Kufpec 27.5%, Nilepet 10%, Sudapet 10%, and yet no taker for the remaining 20%.

The NCP will renegotiate the composition of the consortium in Block 5B, now Petronas 39%, Lundin 24.5%, ONGC Videsh 23.5%, and Sudapet 13%. Contrary to White Nile, the challenger to this consortium, Ascom S.A., will obtain satisfaction, as the NPC has the intention to open the consortium for this Moldovan company. Nilepet will obtain a share of 10%, fully-carried. The future composition is under negotiation, but it is believed that Sudapet's share will be reduced to 10% to come on equal footing with Nilepet. Petronas, the operator of the Block, has never taken action against Ascom's competing claim for fear of alienating the GoSS. The members of the consortium are expected to be accommodating in return for access to the most prospective parts of the Block, in the Sudd area East of the White Nile, where Ascom has been heavily investing over the past two years.

The President of Southern Sudan, Salva Kiir Mayardit, has reportedly ordered Hon. Albino Akol Akol, the Minister of Industry and Mining of the GOSS, to take control over Nilepet.

Hopefully, the release of the resolutions by the NPC marks an end to the lack of transparency in the way Sudan's oil industry is run. The resolutions base the exploitation of Southern Sudan's natural wealth on solid legal grounds, which is vital to the creation of an attractive investment climate. Huge challenges remain, though. The social and environmental performance of Sudan's oil industry is abysmal and its political leadership fail to take appropriate action.

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[www.ecosonline.org](http://www.ecosonline.org)  
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