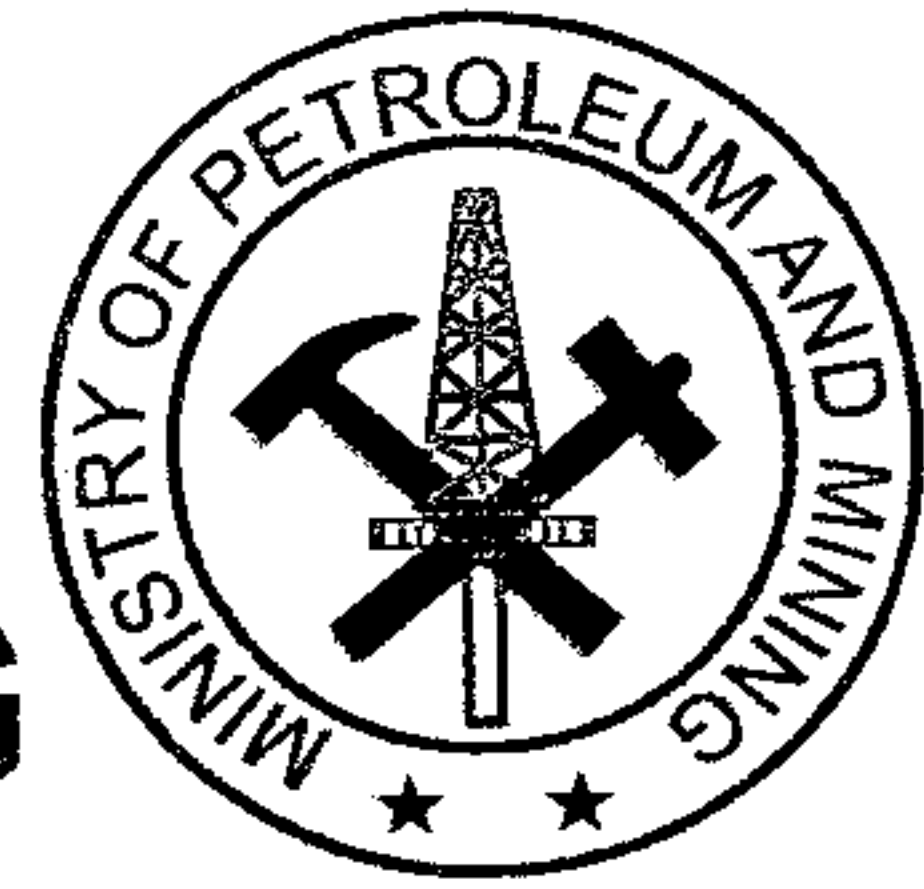


# THE REPUBLIC OF SOUTH SUDAN MINISTRY OF PETROLEUM AND MINING



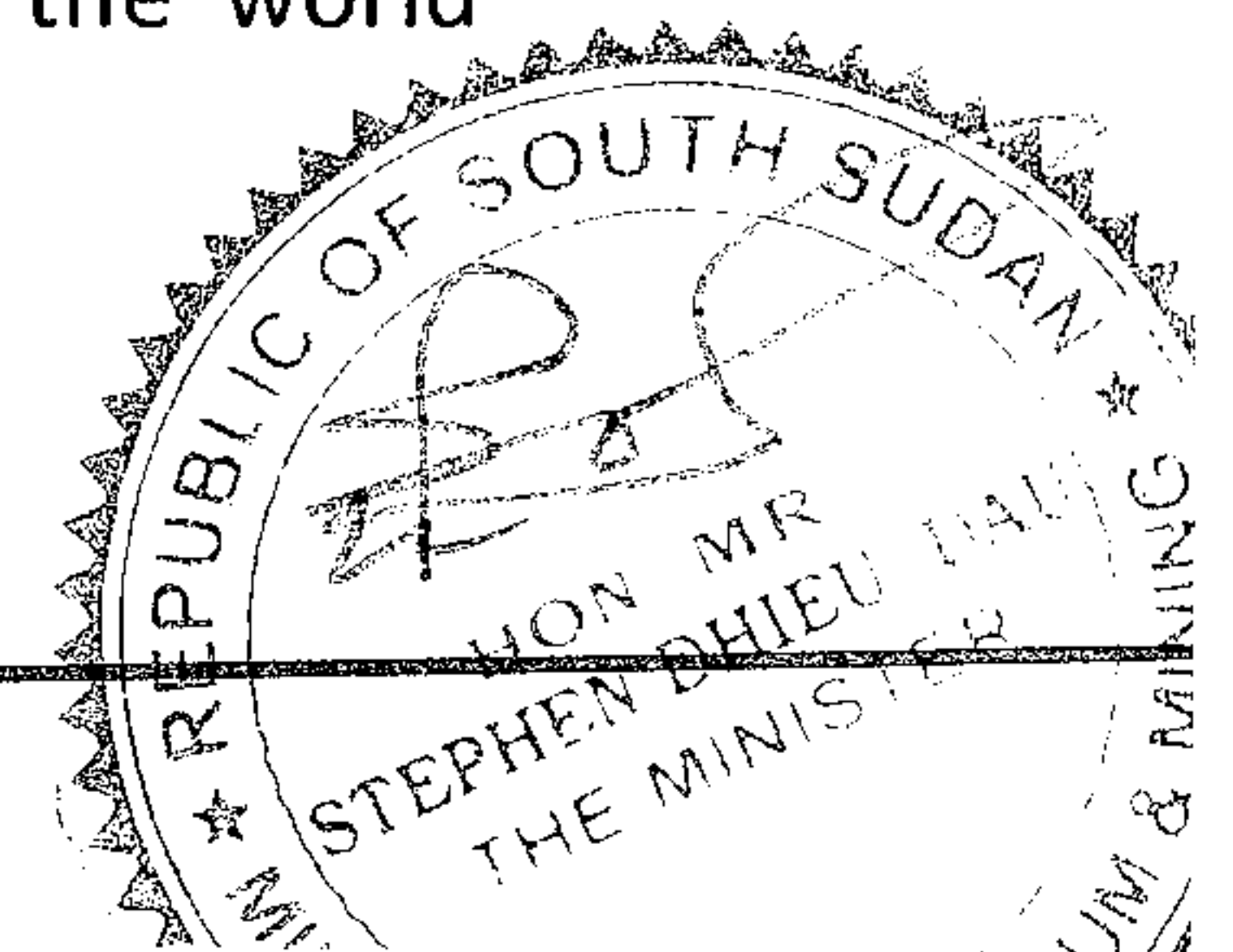
Minister's Office

## **New Year, same old behaviour: Khartoum is Trying to Steal the South's Oil Resources Once Again**

**Juba, January 10, 2012:** The government in Khartoum has decided to once again steal crude from the Republic of South Sudan (South Sudan). Rather than view a New Year as an opportunity for renewed co-operation, the Government of Sudan has: (1) ordered the foreign oil companies to divert all of South Sudan's Nile Blend crude oil entitlements for December to the Khartoum and El Obeid refineries; (2) ordered 550,000 barrels of South Sudan's Dar Blend's crude oil entitlement for December to be delivered to a Sudan buyer; (3) started the construction of a new tie-in pipeline between the Petrodar pipeline and the Khartoum refinery designed to permanently divert 13% of Dar Blend (4) prevented two ships from leaving the port carrying 1.6 million barrels of Dar blend originating from South Sudan and preventing one additional vessel to load 0.6 million barrels of South Sudan Dar Blend; and (5) prevented two other ships from entering the Port of Sudan to take possession of 1.2 million barrels of Nile blend purchased from South Sudan.

The Government of South Sudan denounces these unilateral acts by the Government of Sudan. Any diversion of its oil without its consent is nothing less than theft and preventing loaded ships with South Sudan crude oil from leaving port is unlawful and a violation of international laws and norms. South Sudan applauds the oil companies, which - as responsible operators, transporters and custodians of South Sudan oil - have properly refused Sudan's orders to divert our oil. South Sudan further reminds Khartoum that the 1.6 million barrels of Dar blend, now loaded onto the ships, no longer belongs to South Sudan. The shipper and purchaser now will likely pursue legal actions against Sudan. Indeed, all penalties and damages resulting from illegal takings of oil and disruptions and delays in the shipping schedule will undoubtedly be borne by the people of Sudan who took no part in these ill-advised decisions taken by Khartoum.

Indeed, to South Sudan it is not clear what illicit plans Khartoum had for the oil it had ordered for diversion to its domestic refineries. Perhaps Khartoum planned to sell South Sudan's refined oil to a third party or attempt to "launder" the stolen oil by redirecting it to its own refinery and instead selling its own crude on the world

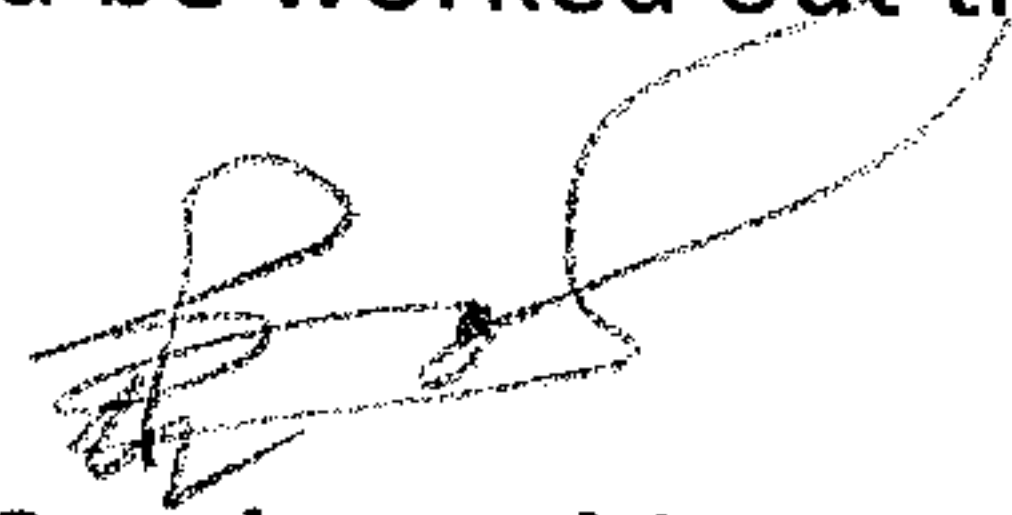


market. In either case, it should be clear to all that the Government of South Sudan will, if necessary, take legal actions against anyone who purchases Sudan's crude while South Sudan's oil is being stolen at the same time. The Government of Sudan and all those that benefit from such illegal acquisitions will find no refuge from South Sudan's legal authorities and will enjoy no future business with the Government of South Sudan.

In light of these unilateral actions, South Sudan recalls that just weeks ago Khartoum rejected South Sudan's generous offer to provide the people of Sudan with \$2.6 billion dollars of cash assistance and forgiveness of \$2.8 billion of the debts and arrears Khartoum owes the people of South Sudan. In return for this offer of friendship and cooperation, Sudan is attempting to steal from South Sudan and disrupt its economy. This is Khartoum leaders' response to the only country that is currently offering billions of dollars of support to help his people thru a rising economic crisis that – left unattended – will only fuel increasing internal discontent.

This is very disappointing. While South Sudan is already paying the pipeline operators significant fees to produce and transport its oil through Sudan, Khartoum is spreading lies that the Government of South Sudan is not paying for the use of the infrastructure in the North. Indeed, the Foreign Oil Companies have now formally written to both the Government of Sudan and the Government of South Sudan to confirm that South Sudan is already being charged transportation fees and processing fees. Therefore, such propaganda and Sudan's attempt to levy additional extortionist fees on the South Sudan only serve to weaken the efforts of others in Sudan who seek to build, rather than destroy, relations between our two nations. South Sudan hoped we had overcome this issue in the last round of negotiations.

South Sudan wants to be a good neighbour and is committed to helping the people of Sudan. Unfortunately, decisions being taken by Khartoum — which do not represent the will and the interests of the Sudanese people — are spoiling the possibilities for mutual peace and prosperity, which is right within our grasp. It is South Sudan's hope that Khartoum leaders will listen to their own people and change their course of action immediately. Outstanding issues between the two States should be worked out through negotiations and not through theft and intimidation.



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**Republic of South Sudan**

