



THE REPUBLIC OF SOUTH SUDAN
MINISTRY OF PETROLEUM AND MINING



Minister's Office

Press Release

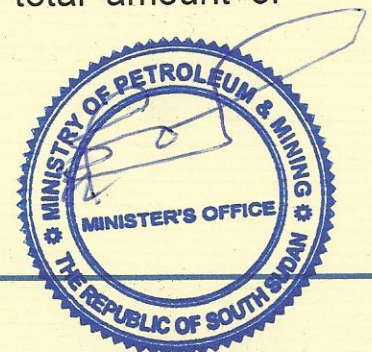
South Sudan to resume oil production

JUBA, South Sudan, August 6, 2012 – On Friday, August 3, in Addis Ababa, Ethiopia, the negotiating teams of the Republic of South Sudan (RSS) and the Republic of Sudan (RS) reached an agreement on tariff and transit fees for using Sudan's oil infrastructure to export South Sudan crude. Signing of the agreement, which is expected in the coming weeks, will allow South Sudan to resume preparations for oil production and export through Sudan with immediate effect.

According to the agreement, South Sudan will pay a fee of US\$11.00 per barrel to use the Nile Blend (Western) pipeline and US\$9.10 per barrel to use the Dar Blend (Eastern) pipeline. These fees include all transportation, transit, processing and marine terminal costs associated with transporting crude oil through Sudan's pipeline infrastructure, as summarized in the table below:

Category	Unity State Crude Oil - through Western Pipeline	Upper Nile State Crude Oil - through Eastern Pipeline
Transportation Fees	\$8.40	\$6.50
Central Processing Facility (CPF) Fees	\$1.60	\$1.60
Transit Fees	\$1.00	\$1.00
TOTAL	\$11.00	\$9.10

To help bridge Sudan's budget shortfall as a result of South Sudan's secession last year, South Sudan has offered to pay Sudan, over a three and a half year period and on an installment basis, a total amount of \$US3.028 billion.




The two countries also have agreed that all oil cargoes confiscated by Sudan in December 2011 and January 2012, and which have not been offloaded and frozen proceeds at the court, will be returned to South Sudan for delivery to the original buyers as designated by the RSS Ministry of Petroleum and Mining.

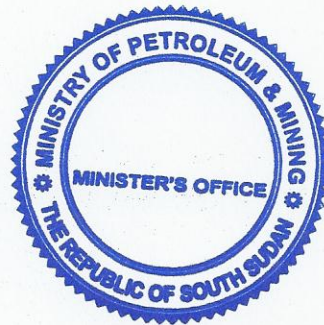
The agreement allows for the opening of common borders between Sudan and South Sudan, thus allowing the movement of people, goods and services to resume.

Upon signing of the agreements with Sudan, the RSS Ministry of Petroleum will work closely with the oil operating companies in South Sudan to determine timelines for restarting production and exports. At the same time, the ministry will continue to implement signed Memoranda of Understanding with the Republics of Kenya, Ethiopia and Djibouti to establish alternative pipelines and other petroleum infrastructure projects vital to the development of South Sudan's economy.

The agreement with Sudan was concluded within the framework of Agreement on Friendly Relations and Cooperation (AFRC), and based on mutual security and economic interests of the two countries.



Hon. Stephen Dhieu Dau
Minister of Petroleum and Mining
Republic of South Sudan – Juba



CONTACT

Mr. Gieth Abraham Dauson
Executive Director, Office of the Minister
Ministry of Petroleum and Mining, Republic of South Sudan
Email: gdauson@mopam.goss.org
Tel: +211 (0)955019420