

Frequently Asked Questions

SADR Offshore Oil & Gas Licence Offering

Q : Why have the Licence Offering now?

A : Over 70 countries now recognise the SADR as the legitimate government of the Saharawi people of the Western Sahara, including the Republic of South Africa and the African Union. The Government feel that just resolution of the conflict is inevitable, that full international recognition of the SADR is close at hand and it is appropriate to offer licenses to qualified international oil companies. In the intervening period effort can be made in preparation for early commencement of exploration activities following Moroccan withdrawal. This initiative reflects an SADR government objective to plan for the future and to prepare for administration of the entire country. The SADR will need reconstruction and development after the illegal occupation by Morocco. It is intended that the Saharawi people should derive full benefit from the resources of their country; benefits that have been previously denied to them under the Moroccan occupation.

Q : So what happens between now and when you are admitted as a member of the General Assembly of the United Nations?

A : The successful licensees and the State sign the PSC and an Assurance Agreement (AA) for each block awarded. The commencement of active exploration will occur upon the resolution of the political situation. However in the intervening period the licensee can obtain legacy (existing) data and review and rework the data to determine what else is required and can be acquired upon commencement of the first exploration term.

Q : When do you expect to award the licenses?

A : We would hope to award some of the licenses to successful bidders later this year.

Q : What response do you expect from the oil companies?

A : We are expecting a good response from international oil companies. We have already had a number of queries relating to offshore licensing and have a dialogue underway with interested parties. We expect to award a number of the blocks in this first licensing initiative.

Q : How will the Licence Offering be administered?

A : We have a dedicated team who will administer the Licence Offering and who has access to independent advice, experience and assistance. The team will provide updates to the media as necessary.

Q : What are the terms of the PSCs?

A : The terms of the PSCs are, as is the case with all similar agreements, commercially sensitive and therefore confidential between the Government and company and will be negotiated with the individual licensees. To give guidance, the PSCs are a model contract which has typical negotiable parameters and will have similar fixed terms to other frontier oil exploration countries in northwest Africa.

Q : Is the offshore acreage prospective?

A : We believe that the offshore is prospective as indicated by the exploration success in the adjacent maritime countries. The Dana consortium in 2003 found gas in the Pelican well in the northern Block 6 in Mauritania and it is likely that the trend will continue into the Western Sahara offshore. Similarly the Repsol led joint venture is planning to drill the Canary Isles blocks to the north-west of the Western Sahara acreage.