



Saharawi Arab Democratic Republic Petroleum Authority



Bir Lahlou, 22 January, 2008

SAHARAWI ARAB DEMOCRATIC REPUBLIC SETS DATE FOR SECOND PETROLEUM LICENSING ROUND

The Saharawi Arab Democratic Republic (SADR) is pleased to announce the launch of the Second Petroleum Licensing Round, to be opened in Houston, Texas, USA on 5 February, 2008. On that date, the SADR will hold a presentation highlighting the various aspects of this Licensing Round. Attendance at the presentation will be by invitation only.

A total of three onshore and six offshore blocks will be offered, totalling 192,569 square kilometres (48 million acres). Water depths in the offshore blocks range from 0 to 3,600 meters.

Most of the blocks lie in the under-explored Mesozoic and Tertiary Aaiun Basin, where the most recent extensive oil and gas exploration program was accomplished in the late fifties and early sixties. This earlier exploration program proved the existence of a sedimentary section at least 6,000 meters thick, and the presence of all of the ingredients for a working petroleum system.

The SADR licensing regime is a Production Sharing Contract (PSC) format, with most terms biddable. The PSC is preceded by an Assurance Agreement (AA), valid for a period of up to ten years, or until certain external conditions have been met.

The SADR held a very successful First Bid Round which opened in 2005, with 9 licenses awarded to eight companies in early 2006. These companies are presently evaluating the petroleum prospects of the awarded licenses.

The SADR is a member of the African Union (AU) and is the sovereign authority for the territory referred to as Western Sahara.

The licensing initiative has been launched in preparation for the full recovery of all of our territory, as the UN mediation process progresses towards a lasting solution to the conflict between the SADR and Morocco. The licensing initiative has been arranged in accordance with the UN legal opinion regarding commercial activities in Western Sahara.

Emhamed Khadad, advisor to the SADR President, comments "the SADR government will endeavour to make our significant natural resources play an important part in the development of a self-reliant, democratic and progressive nation. The SADR will contribute to the peace and stability of the Maghreb Region and will strive for the development and well-being of all the peoples of our region. The SADR Government assures investors that it will fully respect all its obligations".

For more information, you are invited to visit the website of the SADR Oil and Gas Licensing Authority (www.sadroilandgas.com). Oil and gas exploration companies interested in attending the presentations in Houston are invited to contact Mr. Kamal Fadel at kfadel@sadroilandgas.com.

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