

# HOW DOES OIL IN THE GROUND BECOME CASH IN THE BANK?

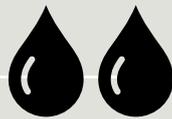
Oil is extracted from fields by the Joint Operating Company (JOC).



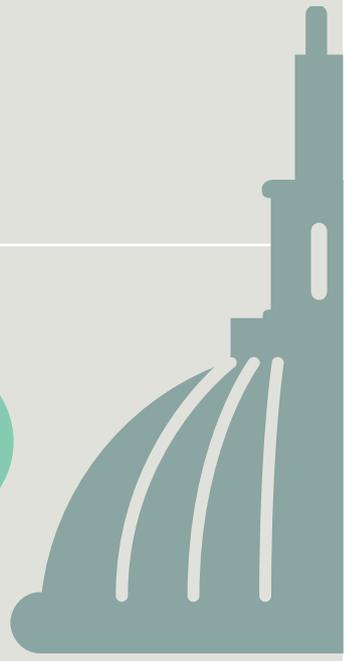
OIL CO.



The JOC cover their expenses by subtracting some crude oil from the total. This is called "cost oil".

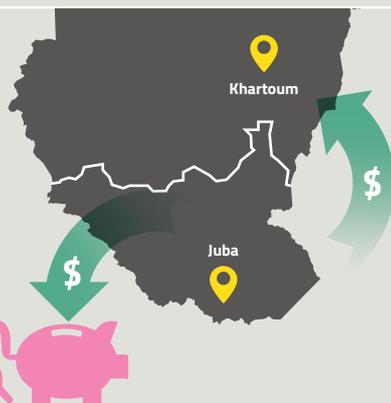


After cost oil has been deducted, the JOC and the government split what is left between them. This is called "profit oil".



The JOC splits the profit oil between the individual shareholding companies. This includes the state owned oil company Nilepet, which receives a share of this profit oil to sell on behalf of the government.

The government sells its profit oil to international oil traders.



The government of South Sudan pays fees to the government of Sudan to use their pipeline to take the oil to port.

The rest should go to the Petroleum Revenue Account in the bank of South Sudan.



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