

Global Witness uncovers evidence of oil exploration in Darfur Oil wealth could provide incentive for peace

Satellite evidence obtained by campaign group Global Witness suggests an area in the far north of Darfur in Sudan is being explored for oil. Darfur, a region roughly the size of Spain, has been torn apart by war since 2003. As a result, an estimated 300,000 people have died and 2.7 million have been displaced from their homes. Global Witness believes that oil wealth could provide an incentive for peace were the revenues to be equitably distributed.

The satellite images¹ obtained by Global Witness reveal that a grid of over 500 kilometres of straight lines, characteristic of seismic exploration, appeared in the northwest corner of Sudan's oil exploration block 12A, near the Libyan border, between September 2009 and March 2010. A further image² confirms the presence of a camp in this area with what appears to be 23 accommodation huts, nine 4-wheel drive vehicles, and a small structure outside the walls that resembles a storage depot for explosives. Seismic exploration sometimes requires the use of explosives.



Satellite image of camp in block 12A, January 2010. Image credit: DigitalGlobe, Inc.

The Darfur peace talks in Doha, Qatar, are scheduled to recommence this week. "We think it would be worthwhile for the peace talks to consider what would happen were oil to be discovered in Darfur. Indeed, the Qatari government has invited parties to the peace talks to suggest new items to be put onto the agenda," said Dana Wilkins, Global Witness campaigner.³

There is a precedent in Sudan for sharing oil as a basis for making peace: the 2005 Comprehensive Peace Agreement that brought an end to the conflict between north and south Sudan was predicated on an agreement to share the revenues from oil. "More than \$7 billion of oil money has been transferred from Khartoum to Juba since 2005 and this has undoubtedly helped to keep the peace between north and south," said Wilkins. "If there were significant reserves of oil in Darfur, there could be an opportunity for a similar wealth sharing arrangement there. Such an agreement would need to be verifiable by all sides, and that would require transparency in the management of the oil revenues."

Global Witness investigates and campaigns to prevent natural resource-related conflict and corruption and associated environmental and human rights abuses.



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There is currently a small amount of oil produced in South Darfur, in block 6.⁴ Block 12A – the area shown in the satellite images reviewed by Global Witness – is allocated to the Great Sahara Petroleum Operating Company, a consortium of Yemeni, Saudi, Jordanian, Libyan and Sudanese companies.⁵ Global Witness informed two of the companies in the consortium, Ansan Wikfs and Al Qahtani, of its findings in advance of publication; neither had any comment. The other members of the consortium could not be reached for comment.

It seems unlikely that oil exploration in block 12A would pose an immediate security risk for Darfuri citizens as the area that appears to be being explored is in the middle of the Sahara desert, far north of inhabited areas.⁶ If oil were found, it could – if managed well – provide some economic hope to one of the most marginalized places on the planet.

According to press reports, in August 2008 Darfuri rebel groups accused the government of mounting a military offensive in the north of block 12A. At the time, a Sudan Liberation Army commander (from the Abdel Wahid faction) alleged that Chinese oil workers had arrived in the area and a spokesperson for the Sudan Liberation Army (Unity faction) alleged that the government was trying to clear the rebels out of the area in order to make way for oil exploration. Global Witness does not have any evidence of activities in this area in 2008.

"The Sudanese government presumably whether or not oil exploration is underway. The other parties to the Doha peace negotiations should be equally well informed," said Wilkins. "The government and the Greater Sahara Petroleum Operating Company should disclose the prospects of finding oil in North Darfur." / Ends

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Notes to editors:

¹ Landsat ETM satellite images taken between 2007 and March 2010. Satellite work conducted by PRINS Engineering, Denmark.

² QuickBird satellite image taken on 5 January 2010. Satellite work conducted by PRINS Engineering, Denmark.

³ The Sudanese government and one of the main rebel groups in Darfur, the Justice and Equality Movement (JEM), signed an agreement in February which was to be followed by further negotiations, including on wealth sharing. The following month, the Liberation and Justice Movement also signed an agreement with the Sudanese government that reportedly closely resembles the one agreed with JEM. JEM suspended its participation in the Doha peace process recently. The Darfur Peace Agreement that was signed in 2006 includes only very weak natural resource wealth sharing options: it says that North, South and West Darfur shall have the right to negotiate to receive a share of the revenues from oil or mineral resources.

⁴ Block 6 straddles South Darfur and South Kordofan states. Approximately 30,000 barrels of oil are produced there per day, some from South Darfur and some from South Kordofan. It is not known how much of this oil comes from each place.

⁵ The Sudanese state-owned oil company, Sudapet, lists the equity holders of Great Sahara Petroleum Operating Company as being [source: <u>http://www.sudapet.sd/concession_map.php</u>]: AlQhtani 33% [Al Qahtani and Sons, a Saudi company]; Ansan 20% [Ansan Wikfs, a Yemeni company]; Sudapet 20% [the Sudanese state-owed oil company]; Dinder 15% [Dindir Petroleum, a Jordanian company]; Hi Tech 7% [a Sudanese company]; All Afr. Inv 5% [All Africa Investment Corporation, a joint venture between Libya Oil Holding Limited, formerly Tamoil Africa, and Petrolin, a company owned by a Benin businessman].

⁶ When oil started being produced in South Sudan, during the north-south conflict, hundreds of thousands of civilians living near the oil fields were killed or forcibly displaced from their homes. For more information, see <u>www.globalwitness.org/fuellingmistrust</u>, page 18.

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