



Republic of South Sudan Ministry of Petroleum

The Future of South Sudan Oil & Gas Industry

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Presentation outline

- Introduction
- Status of South Sudan Petroleum Industry
- Vision of South Sudan Oil & Gas Industry
- Challenges
- Opportunities
- Conclusion

Introduction

- South Sudan Oil Industry Started in 1997
- The first oil(Nile Blend) export was realized in 1999 through Pipeline of around **1,600 Km** to Bashaer #1 Marine terminal at Port-Sudan.
- The first Dar blend commercial export was in 2006 through a pipeline of around **1,400Km** to Bashaer 2 at Port-Sudan.
- South Sudan took over the control of operations; mainly in the upstream; from July 9th 2011 when the Independence was achieved through a referendum.

LEGAL FRAMEWORKS AND REGULATIONS

- Transitional Constitution of the Republic of South Sudan (2011), As Amended
- Petroleum Act of 2012
- Companies Act of 2012
- Investment Act of 2012
- Investment Promotion Regulation of 2012
- Taxation Act of 2009
- Model agreements used in South Sudan are PSAs or EPSAs.



- ✓ **Establishing the regulations to promote private sector investment, implementing the Petroleum Policy and the Petroleum Act of 2012**
- ✓ **Best international practices and international petroleum standards apply**

Regulations

- Environmental Management regulation 2017
- Local Content Regulation 2019
- Human resource policy manual UHRPM 2020
- Refineries and petrochemicals regulation → under review

Working documents

- Cost Recovery Audit guidelines
- Environmental Audit guideline
- Operational Audit Guidelines

Status of South Sudan Petroleum Industry



Upstream:

- Total production today stands at around 154 Kbpd. And a total proven reserves of around 1.0 billion barrels

Producing blocks in South Sudan are:

- Block 3 & 7 at 103Kbpd
- Block 1,2 & 4 at 48 Kbpd
- Block 5A at 3Kbpd

Petroleum Reserves

- Petroleum reserve are dwindling in blocks 3& 7 and 1,2& 4
- Block 5A has not realized full potential because of production capping

Recovery factors are

- Block 3 & 7 23%
- Block 1,2 & 4 33%
- Block 5A 8%

Status

Downstream:

- Mini Refinery Project is underway and partially completed in block 1,2 & 4 of GPOC
- Export Pipelines of around 3,000Km for exporting two types of crude oil namely,; Nile Blend through 1,600Km and Dar blend through 1400Km; both to Marine Terminals in The Republic of Sudan

Status

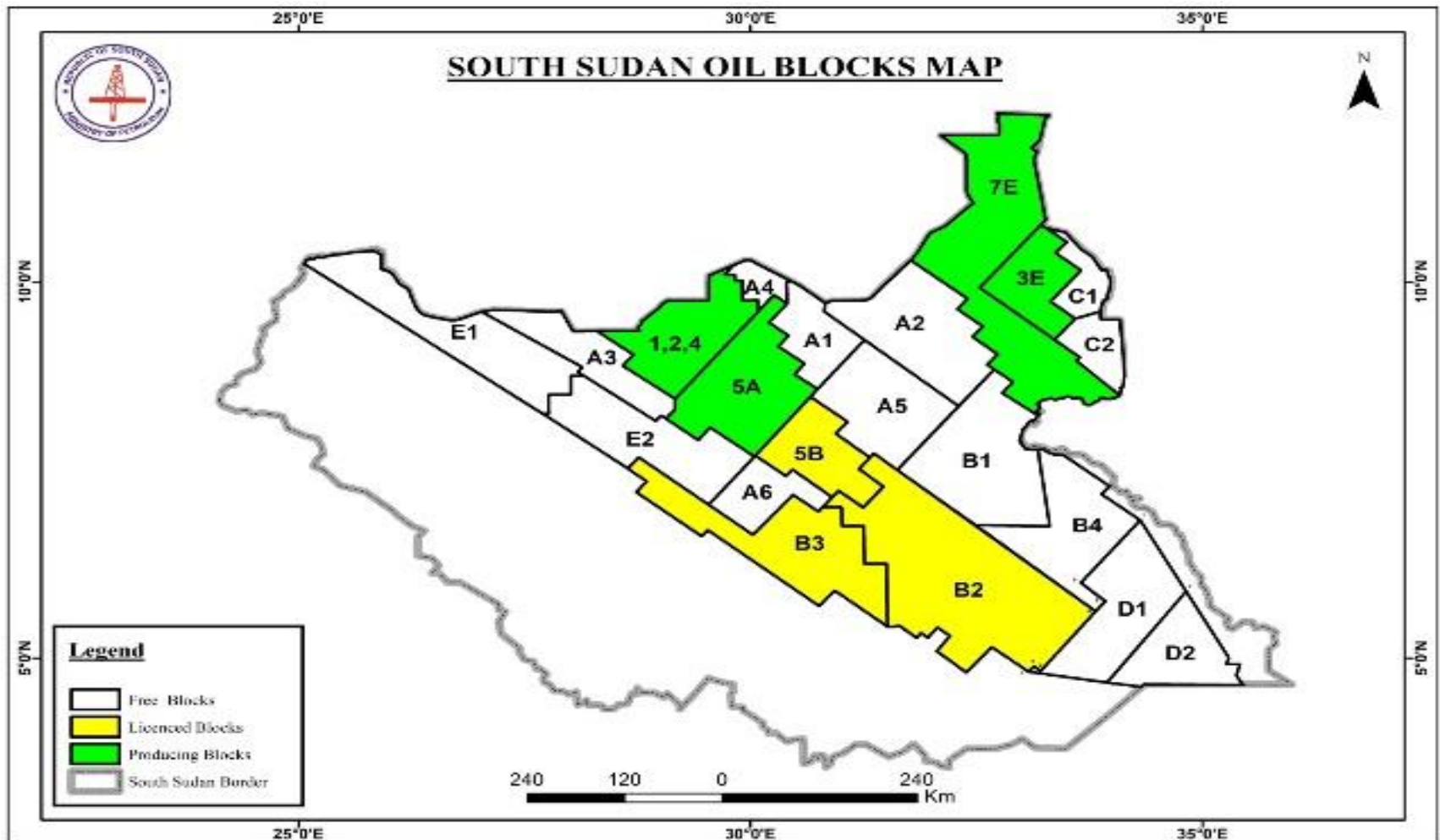
Committed Exploration blocks are 3 Nos.

- Block 5B ASCOM – Moldova & RSS
- Block B3 ORANTO – Nigeria & RSS
- Block B2 SFF - South Africa & RSS

Open Exploration Blocks are 14 Nos.

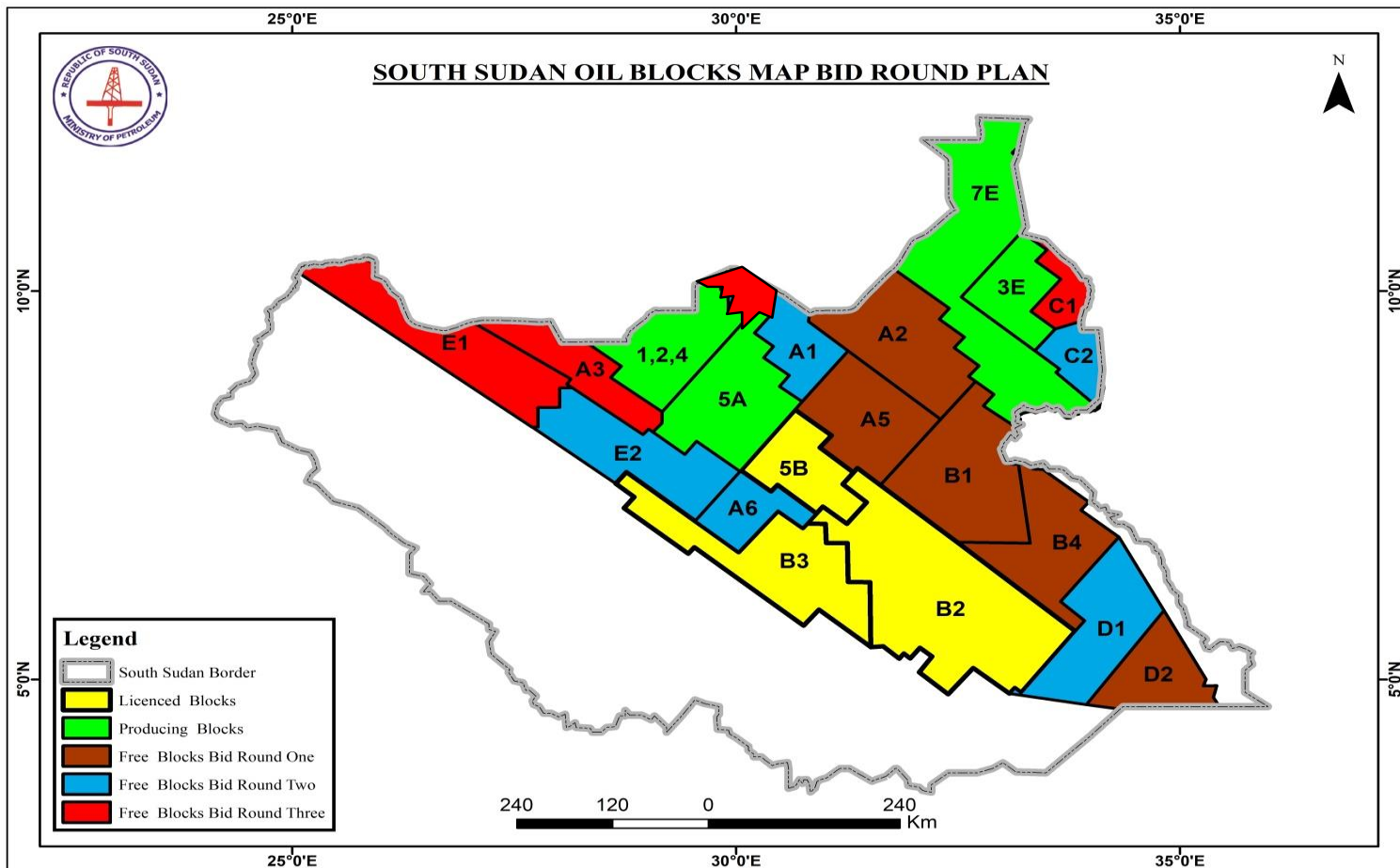
- Blocks A1, A2, A3, A4, A5 & A6
- Blocks B1 & B2
- Blocks C1 & C2
- Blocks D1 & D2
- Blocks E1 & E2

South Sudan Resized Blocks 2019



Upcoming Open Acreages for The First Licensing Round 2021:

- Blocks **A2, A5, B1, B4 and D2**



Vision of South Sudan Oil & Gas Industry



To ensure that Petroleum activities are managed and developed in a way that contributes fully to economic development and human prosperity, in an ethical, efficient, transparent, accountable manner in accordance to environmental, social and economical sustainability principles.

Future Goals

To build capabilities in the following areas:

- To realize Zero discharge to the environment
- To increase production through Excellent HSE management
- Data acquisition , processing and Interpretation.
- Drilling operations and work-over.
- Oilfield Facilities design, Engineering and construction.
- Community programs
- Oilfield Research and development
- Reservoir management

Challenges



- Price Risk: Frequent drop and fluctuation of international oil prices.
- COVID 19 negative repercussions on oil market.
- Lack of enough finances to address some of the challenges that are connected to production optimization, enhancement and exploration.
- Lack of enough trained manpower to run the operations.
- Geological Risk:
- Unit Production Cost

Challenges

- Lack of technical research capabilities and laboratories to provide home grown solutions.
- Lack of Adequate logistics network and power in the country.
- Lack of proper synergies between the oilfields in South Sudan.
- Lack of alternative evacuation routes for block 5A crude to international markets

Opportunities

- Open blocks are ready for interested investors
- Pipeline Tie-in between block 5A and block 3& 7 that could provide a permanent solution to uncap block 5A production from Tharjath.
- Refinery solution to provide refining capacity to energy security in the country and the region.
- Environmental clean up and mitigation & produce water management for re-injection and recycle.
- Services to the oil fields, reservoir management and enhanced / improved oil Recovery technologies , facilities optimization and monitoring. Produce water management, the oil service industry size is around US \$1.0 Billion/annum

Conclusion

- South Sudan has set a platform for launching a take-off into the world of businesses; aiming at a brighter future by fostering good governance through transparency ,accountability and professionalism.
- Constantly paying more attention and care to the local content participation in different areas in the upstream, midstream and downstream operations.
- Inevitably; mindful of environmental footprint that should be eliminated in any operation.
- Welcome to South Sudan; The land of opportunities.



Thanks for your attention!!!

Q & A