

Saharawi Arab Democratic Republic “SADR”

Oil & Gas Licence Offering
2005

London
17 May 2005



Purpose

- Review of the situation in the SADR (Western Sahara)
- Update on the current political situation and progress in the Saharawi people's demands for self-determination
- Statement of the SADR Government position with regard the resources of the SADR
- The announcement and opening of the SADR Oil & Gas Licence Offering for 2005.



Schedule of Events

- Welcome
- Update (HE Emhamed Khadad)
- Independent Comments (Ms Karin Scheele)
- Licence Offering (Mr Kamal Fadel)
- Q&As
- Meet the Leadership/Reception



Brief History and Status of Western Sahara



Historical Background

- The Saharawi are the indigenous inhabitants of the territory referred to as Western Sahara and parts of the surrounding countries.
- The Saharawi people are ethnically, linguistically and culturally distinct from their northern neighbours.
- Western Sahara was occupied by Spanish colonial forces between 1884 and 1975, and was referred to as “Spanish Sahara”.
- The Saharawi have sought independence for their homeland since 1960s.



Saharawis



Colonial History

- 1884-85 – Spanish protectorate as a result of the Berlin Conference (partition of Africa between the European powers)
- 1936 – French-Spanish military activity suppresses tribal resistance. Colony of “Spanish Sahara” established
- 1958 – Morocco given province of Tarfaya by Spain in return for non-assistance to Saharawi independence movement
- 1965 – Independence for Western Sahara first raised at UN
- 1970 – Extensive civil demonstrations
- 1973 – Polisario Front formed and armed resistance commences
- 1974 – Spanish Population census (74,000)
- 1975 – Spanish colonial forces withdraw. 27 February 1976 Saharawi Arab Democratic Republic (SADR) proclaimed



Recent Political Background



- 1975 “Madrid Accords”: Spain, contrary to the wishes of the UN, divides Western Sahara between Morocco and Mauritania.
- 1976 “Green March”: 350,000 Moroccans occupy territory.
- 1976 Saharawi armed resistance (Polisario) starts to confront occupying Mauritanian and Moroccan forces.
- 1979 Mauritania recognises the legitimate claim of the Saharawi and withdraws.
- 1991 UN brokered ceasefire between Morocco and Polisario. MINURSO peacekeeping force deployed.
- To 2005 Repeated Moroccan political manoeuvring to avoid a legitimate referendum.



Saharawi Camps



- Around 170,000 Saharawi Refugees living in tented camps in Southern Algeria for the last 30 years
- The refugees fled advancing Moroccan and Mauritanian Armies, and air force strikes, in 1975
- Reliant on UN maintenance assistance



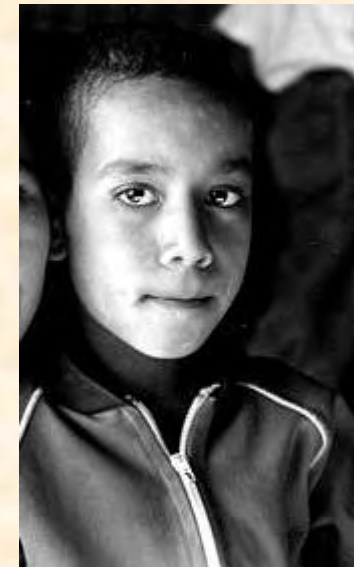
Effective Administration



Saharawi Women



Saharawi Children



Camp Education



ICJ Ruling

International Court of Justice

The *International Court of Justice (ICJ)*, based in The Hague, is the principal judicial organ of the United Nations.



WESTERN SAHARA

Advisory Opinion of 16 October 1975

“.....the Court's conclusion is that the materials and information presented to it do not establish any tie of territorial sovereignty between the territory of Western Sahara and the Kingdom of Morocco or the Mauritanian entity. Thus the Court has not found legal ties of such a nature as might affect the application of General Assembly resolution 1514 (XV) in the decolonization of Western Sahara and, in particular, of the principle of self-determination through the free and genuine expression of the will of the peoples of the Territory.”



UN Legal Opinion



”.....if further exploration and exploitation activities were to proceed in disregard of the interests and wishes of the people of Western Sahara, they would be in violation of the principles of international law applicable to mineral resource activities in Non-Self-Governing Territories.”

Hans **Corell**

Under-Secretary-General for Legal Affairs

The Legal Counsel



Status Today



- Saharawi Republic (Western Sahara) officially recognised by over 70 countries, including the majority of African countries such as South Africa, Nigeria, Algeria, Libya, Ghana, Ethiopia and Mauritania. Others recognising SADR authority include Mexico, Iran, Syria and most of the South American, Caribbean and Pacific Island countries. Yugoslavia and Albania are currently the only European countries to recognise legitimacy.
- The Saharawi Republic is a full member of the African Union (AU). AU sponsored the current ceasefire agreement and the involvement of the UN in mediation.
- Secretary-General of Polisario Front is Mohamed Abdelaziz.
- President of Saharawi Arab Democratic Republic is Mohamed Abdelaziz.



MINURSO (UN) in the SADR



- Ceasefire 6 September 1991 and MINURSO deployment.
- 230 UN Peacekeepers currently stationed along a 2,200km defensive sand-wall (“berm”).
- MINURSO monthly cost approximately US\$4.1m.
- Mandate extended to 30 October 2005.



UK Foreign Affairs Committee – 5 April 2005

“ We conclude that the ongoing conflict over the Western Sahara is harmful both to Morocco’s international relations and reputation and to efforts to enhance regional co-operation. We recommend that the Government work through EU and the UN to achieve a permanent resolution of the conflict”



SADR Licence Offering

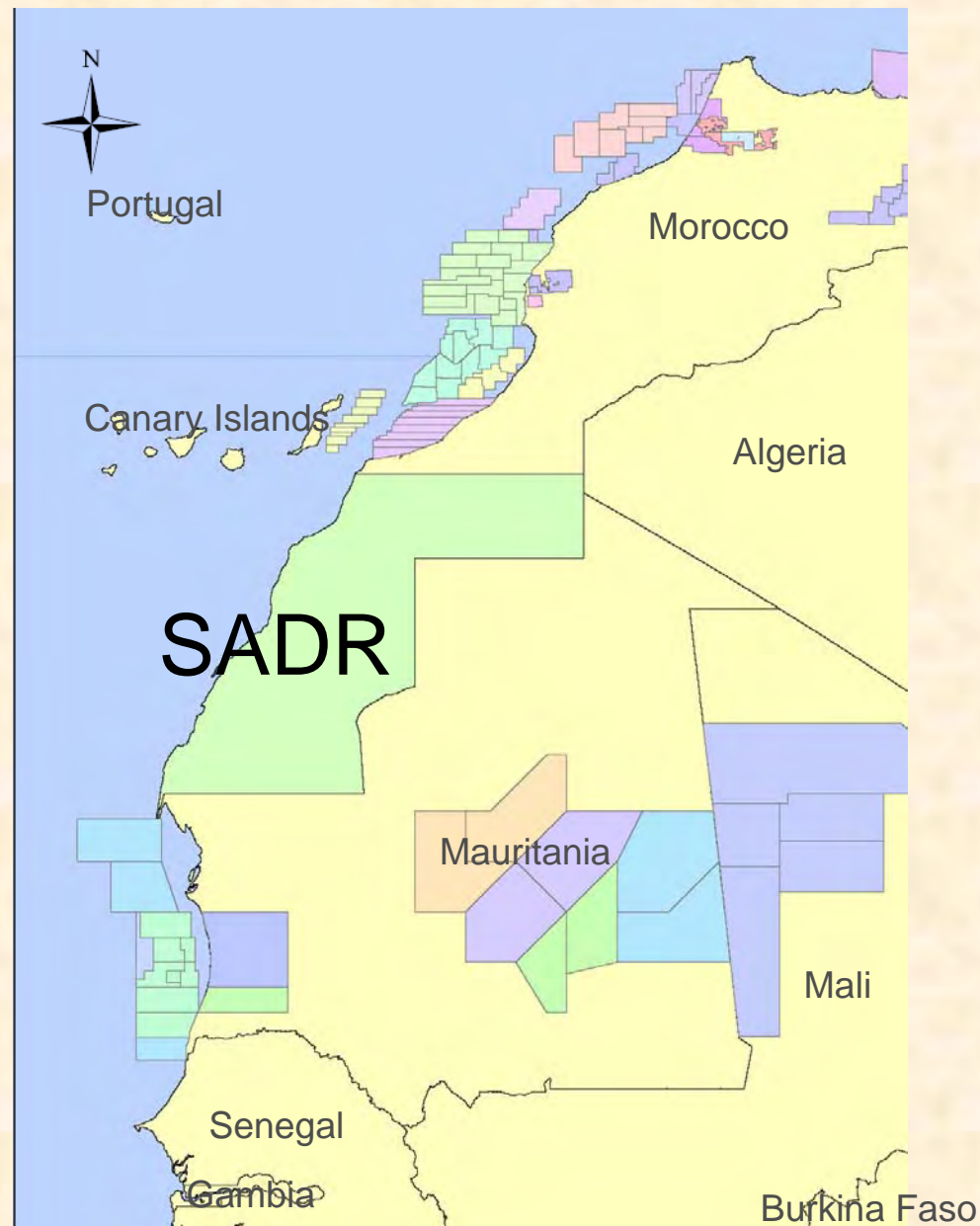
- Why a licence offering, and why now?
 - Start of a process.
 - In preparation for self government.
 - To ensure self reliance and non-dependency.
 - It is progressive and forward thinking.



Western Sahara Prospectivity - Regional

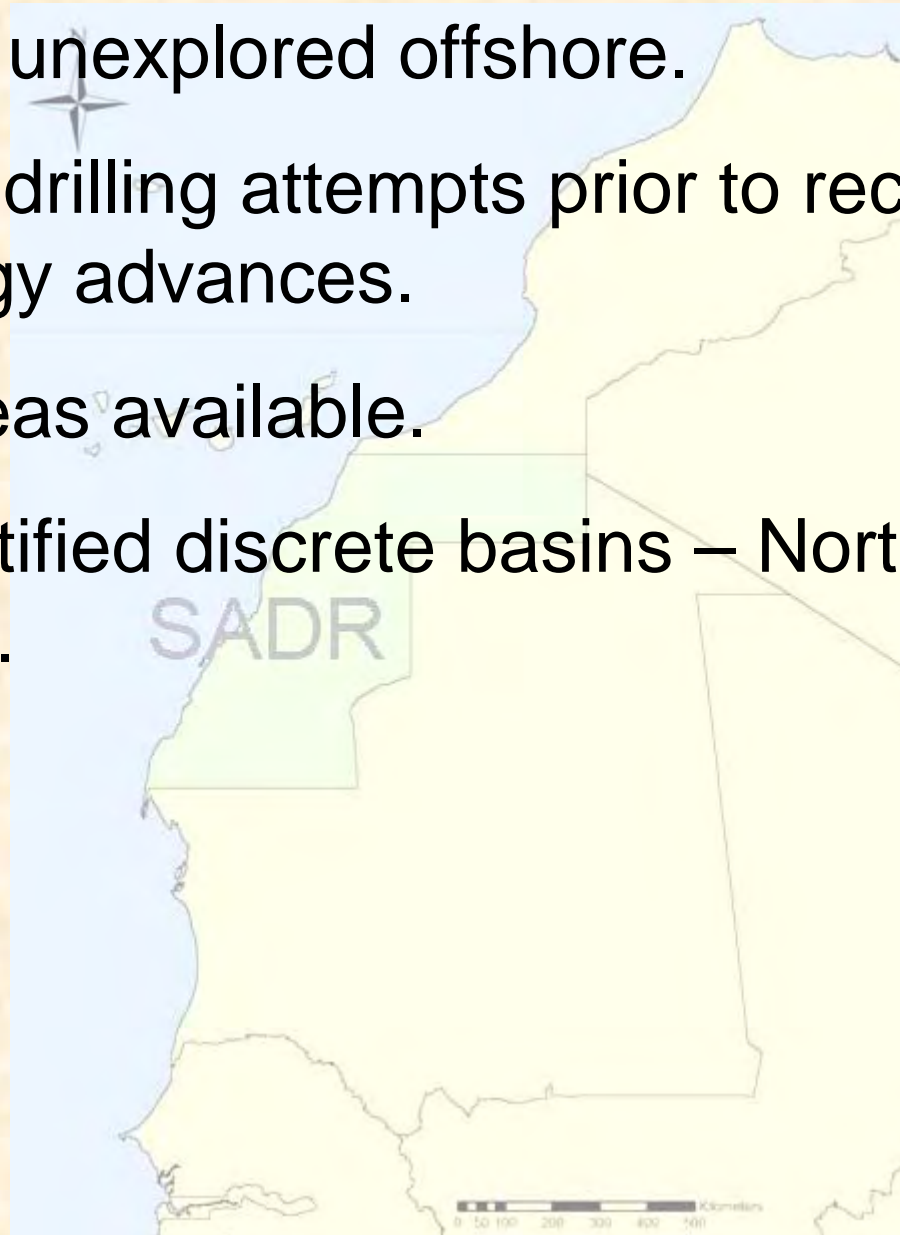


Western Sahara Prospectivity - Regional



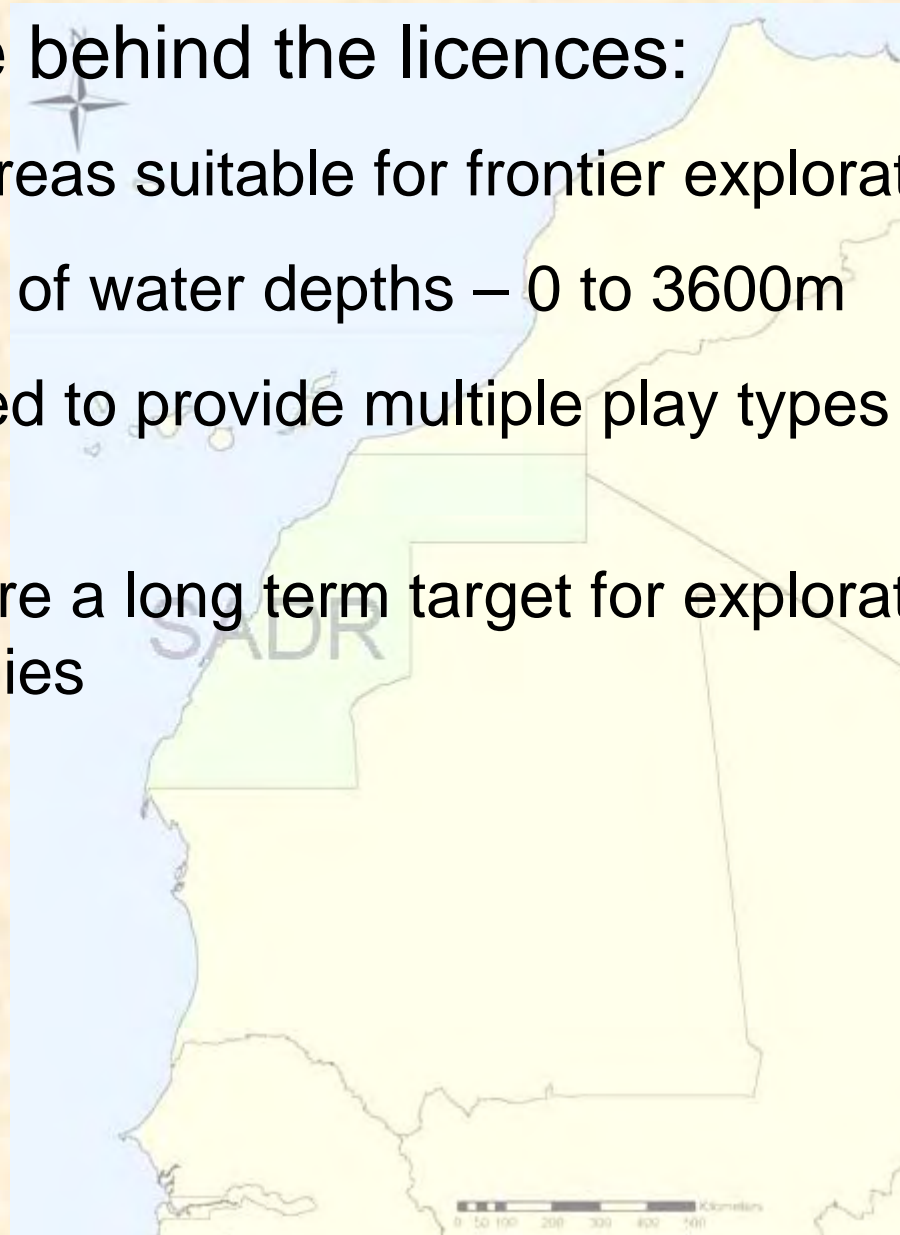
SADR Prospectivity

- Basically unexplored offshore.
- Previous drilling attempts prior to recent technology advances.
- Large areas available.
- Two identified discrete basins – Northern and Southern.

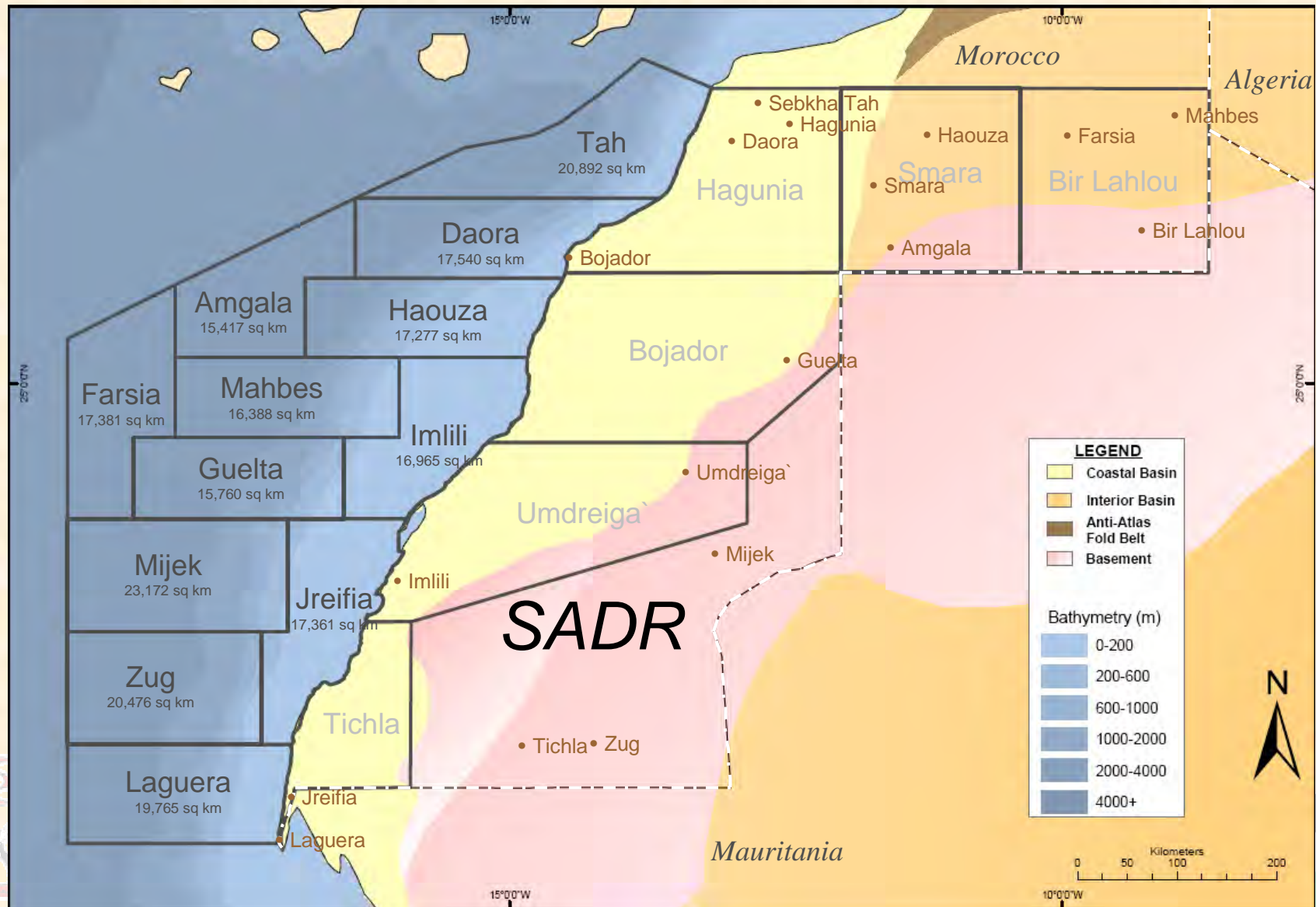


SADR – Licencing Offshore

- Rationale behind the licences:
 - Large areas suitable for frontier exploration
 - A range of water depths – 0 to 3600m
 - Designed to provide multiple play types and drilling options
 - Therefore a long term target for exploration companies



SADR – Offshore Blocks



Licencing Process

- Process will be by open tender.
- Petroleum Agreement will be a Production Sharing Contract (PSC).
- An Assurance Agreement will also be signed between the State and the Licensee as well as a PSC.
- Assurance Agreement bridges between signing the PSC and the SADR's formal recognition by the UN General Assembly.
- The Assurance Agreement provides details to the licensee on controlling legislation whilst SADR specific legislation is being formulated.



The Process – Bidding for a PSC and AA

- How do you bid?
 - From today, the licence offering is officially open.
 - The SADR Oil and Gas website is live from today.
 - There are guidelines for investors on the web site.
 - Application are made via the web-site.
 - Details in the media pack



The Process – Bidding for a PSC and AA

- What's the time frame?
 - The licence offering is now officially open.
 - Updates will be given via the web site and through the year at appropriate industry events.
 - It's expected that licences will be awarded by the end of this year.



[Home](#)

[Introduction](#)

[Licensing Round](#)

[Geological Summary](#)

[Petroleum Legislation](#)

[Publicity](#)

[Contacts](#)

[Links](#)



**Saharawi Arab Democratic Republic
Oil and Gas Exploration
2005 Licensing Round**





Introduction

[Home](#)

[Introduction](#)

[Licensing Round](#)

[Geological Summary](#)

[Petroleum Legislation](#)

[Publicity](#)

[Contacts](#)

[Links](#)

Introduction

Western Sahara is situated in northwest Africa, along the Atlantic coast, bordered by Morocco in the north, Algeria in the northeast and Mauritania in the south and southeast. It was a Spanish colony until 1975.

The Saharawi Arab Democratic Republic (SADR) was proclaimed by the indigenous people of the territory of Western Sahara on 27th of February 1976. The SADR is a full member of the African Union and is recognised internationally by 77 countries.

Western Sahara is regarded by the United Nations (UN) to be a non-self governing territory. Since 1976 Morocco has illegally occupied Western Sahara and has frustrated the rights of the Saharawi people to self-determination.

The Saharawi people and their ancestors have lived and ruled Western Sahara since at least the first century BC. The Saharawi people are ethnically, culturally and linguistically distinct from the Moroccans.

Western Sahara has never been a part of the Kingdom of Morocco nor have the Saharawi people ever acknowledged Moroccan sovereignty.

The end of Spanish colonisation (1884 to 1975) was marked by the illegal partition of the territory by the Dictator Franco, Morocco and Mauritania. This partition was in contravention to previous Spanish commitments to comply with UN Decolonisation procedures, particularly the organisation of a referendum of self-determination. See the <http://www.arso.org/UNlegaladv.htm>





Licensing Round

[Home](#)

[Introduction](#)

[Licensing Round](#)

[Geological Summary](#)

[Petroleum Legislation](#)

[Publicity](#)

[Contacts](#)

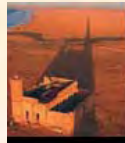
[Links](#)

2005 SADR Licensing Round

The 2005 SADR Licensing Round is based on an open competitive tender with applications evaluated on the basis of standard technical and commercial criteria. The Licensing Round is the first international competitive bidding round arranged by the SADR Government, and follows a period of consultation with industry. Industry activity in neighbouring countries, including Mauritania, has been significant, and recent success in these areas suggests that similar levels of activity are warranted within the SADR.

A total of exploration blocks have been delineated within the SADR, of which the 12 offshore blocks will be available in this the first official licensing round.





Geological Summary

[Home](#)

[Introduction](#)

[Licensing Round](#)

[Geological Summary](#)

[Petroleum Legislation](#)

[Publicity](#)

[Contacts](#)

[Links](#)

Regional Geology

The Aaiun basin remains one of the last frontier sedimentary basins in all of Africa. With limited exploration since the early 1970s advanced technologies are yet to be applied to this vast territory. The hydrocarbon potential of this region, both onshore and offshore cannot be underestimated as exploration levels continue to intensify both north and south of Saharawi Arab Democratic Republic.

The Aaiun Basin, is one of a series of mature passive margin basins that lie along the North Atlantic margin of Northwest Africa and the northeast margin of North America. The basin extends for almost 1100km along the margin from the Cap Blanc Fracture Zone in northern Mauritania, north through Western Sahara into southern Morocco to the intersection of the North Canary Island Fracture Zone and the South Atlas Fault. Rather than a single super-basin, the Aaiun Basin comprises two discrete sub-basins separated by the Dakhla Fracture Zone. The northern compartment, the Boujdour sub-basin, is largely characterised by an absence of Senonian aged sediments in the slope region, the result of major Early Tertiary canyon incision and the erosive effects of contour currents that developed across the slope and upper rise. Onshore the sub-basin is characterised by over 3km of Early Cretaceous deltaic sediments. Conversely, the southern compartment, the Dakhla sub-basin, is characterised by the presence of a thick (up to 1km) Senonian sand-rich succession in the deepwater portion and the absence of Cenomanian-Paleocene sediments onshore.





Petroleum Legislation

[Home](#)

[Introduction](#)

[Licensing Round](#)

[Geological Summary](#)

[Petroleum Legislation](#)

[Publicity](#)

[Contacts](#)

[Links](#)

Petroleum Legislation

The SADR will use a PSC regime to govern petroleum operations within their territorial boundaries. There are two (2) key legislative documents governing the petroleum industry operations in the SADR:

▶ Production Sharing Contract

And the

▶ Production Sharing Contract Assurance Agreement

The SADR is the legitimate representative and government of the SADR and the Saharawi people of Western Sahara. There are conditions subsequent that will be satisfied and enable the rightful government to be installed in the SADR.

The PSC Assurance Agreement clarifies these conditions to be satisfied and trigger the first exploration period. It also indicates the applicable fees, term of the agreement, taxation regime and governing law in the intervening period leading up to the commencement of the first exploration period.

In addition to the aforementioned legislation, the SADR will issue to prospective licensees the following:

▶ Production Sharing Contract Assurance Agreement





[Home](#) [Introduction](#) [Licensing Round](#) [Geological Summary](#) [Petroleum Legislation](#) [Publicity](#) [Contacts](#) [Links](#)

Contacts

Further information on any matters concerning exploration and development opportunities in the SADR may be obtained from:

SADR Petroleum Authority

info@sadroilandgas.com





[Home](#) [Introduction](#) [Licensing Round](#) [Geological Summary](#) [Petroleum Legislation](#) [Publicity](#) [Contacts](#) [Links](#)

Information:

SADR Information sites

[ARSO](#) Association de soutien à un référendum libre et régulier au Sahara Occidental

[SAHARA PRESS SERVICE](#) agence de presse sahraouie (French, Spanish and English)

[Western Sahara Online](#)

[SAHARA LIBRE](#) mensuel en arabe

[Friends of the Western Sahara](#)

United Nations on Western Sahara

[MINURSO: UN Mission for the Referendum in Western Sahara - Current Reports](#) (New York)

[UN Mission for the Referendum in Western Sahara, September 1991-July 1995](#) (via George Mason University)

[UN Mission for the Referendum in Western Sahara, 1994-](#) (via ARSO)



Contact Us

- Your first point of contact should be:
 - Kamal Fedal, Polisario Representative to Australia
 - Via our web-site: www.sadroilandgas.com



Questions



شكراً

¡Gracias!

Thank You

Merci

