

Sudan awards additional oil concession to Petronas

16 AUG 2003

SUDAN has awarded an additional oil concession, Block 8 (Blue Nile), to Petronas, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

After bilateral talks with the President of Sudan Lt Gen Omar Hassan Ahmad Al-Bashir on the sideline of the Southern Africa International Dialogue, Dr Mahathir said the talks focused on the co-operation between Malaysia and Sudan in oil production; development of Merowe Dam and issues affecting the Organisation of the Islamic Conference. However, no details were available on the new oil concession.

Negotiations on the foreign participation in major infrastructure projects in Sudan began in 2001. Sudan had then offered two additional oil concessions — Block 15 (both offshore and onshore) and Block 8 (Blue Nile) — as part of the Government's move to raise additional revenues to meet the country's infrastructure needs.

In 2001, Sudan received US\$25 million (RM95 million) a month from oil exports — 40 per cent of overall exports. It exported 85,000 barrels a day. Its export has doubled since. It was reported that the offer had attracted interest from Saudi Arabia, the United Arab Emirates, Japan and Malaysia.

In April this year, Petronas made further inroads into Sudan's oil industry with the acquisition of Swedish Lundin Petroleum AB's 40.375 per cent working interest in Block 5A for US\$142.5 million.

Block 5A is located in the Muglad Basin in Southern Sudan and consists of the undeveloped Thar Jath field which contains gross proven and probable oil reserves of 149.1 million barrels — 60.2 million barrels net.

On OIC, Dr Mahathir said he and Omar agreed that OIC members should endeavour to enhance co-operative efforts.