



Launching of Somalia's First Offshore Licensing Round

12 May 2020 Mogadishu, Somalia. The Ministry of Petroleum and Mineral Resources of the Federal Republic of Somalia announces the launching of Somalia's first offshore licensing round.

Due to the spread of the global pandemic, COVID – 19, and resulting restrictions, the Ministry decided to launch the licensing round virtually.

The 2020 Somali licensing round features up to 7 blocks that are up for the bidding process which are estimated to be among the most prospective areas for hydrocarbon explorations and production in Somalia. This licensing round will open on 4th of August this year and will be closing on 12th March 2021.

This roadshow highlights as landmark moment in the development of Somalia's natural resources, which will be transformational for the country's development.

According to the Minister, Somalia has achieved significant milestones that will provide predictability, reliability and transparency to the oil and gas companies and investors who are willing to do business with the Somali Government.

Among such milestones are; the ground breaking Petroleum Law which completed its legislative process earlier this year. The Revenue Sharing Agreement enshrined in The Petroleum Law which indicates how future revenues from the development of the industry will be shared between The Federal Government, the Federal Members States and their local communities. And this agreement has now been 'road-tested' with the first revenues, which were recently generated from rental payments from Shell and Exxon. Moreover, Production Sharing Contract model is investor friendly, flexible and top quartile fiscal framework.

The Minister assured that the process would be fair and transparent for everyone taking part in the licensing round, adding that the revenues generated from oil gas explorations will be used as the catalyst for a new dynamic, renewable and self-sustainable economy

His Excellency Abdirashid Mohamed Ahmed, The Minister of Petroleum & Mineral Resources said, "The opportunities for the international exploration and development majors are enormous. Somalia is committed to attracting investment and promoting partnership and business in all segments of the oil and gas industry value chain. This event is the starting point to allow the Somali Government to better showcase the vision that our country has for our petroleum and gas industry to potential foreign investors.

"SOMALIA IS OPENING FOR BUSINESS BIG TIME"



Date: 12/05/2020

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