



## The Republic of South Sudan

---

### **SOUTH SUDAN REACHES OIL DEAL WITH SUDAN: SECURES LOW PIPELINE FEES**

#### **Press Statement**

*Juba, 4 August 2012:* People of the Republic of South Sudan your government has protected your interests. Throughout the negotiations South Sudan insisted that its oil would not flow through the Republic of Sudan unless and until it was subject to commercially fair pipeline tariff, processing and transit fees.

Throughout the negotiations the Government of Sudan tried to extort South Sudan through the export of its oil. Sudan went as far as stealing South Sudan's oil to do so. Your government responded with strength and resolve, and those responses have paid off.

At their most extreme, Sudan demanded South Sudan to pay \$36 a barrel for Pipeline Transportation Fees. Your negotiation team, however, has secured, a deal where South Sudan will pay approximately \$9.48 a barrel. South Sudan only had to increase its last offer by \$1.87.

The Pipeline Transportation Fees will only last 3 1/2 years. At that time, if South Sudan still wishes to transport its oil through Sudan --which is unlikely given that its new pipeline will be up and running by then -- the parties may negotiate lower rates, but the fees cannot go up.

In the interest of peace, South Sudan has offered \$3.028 billion in direct transitional financial assistance (TFA) to Sudan over a period of 3 1/2 years. This is equivalent to 1/3 of Sudan's financial gap resulting from the loss of South Sudan's oil. This TFA is separate and apart from the Pipeline Transportation Fees. The agreement between the Parties makes this clear. This is a one off payment. South Sudan will pay this over 3 1/2 years, earlier if it chooses, and then the assistance ends. The burden of Sudan's financial difficulties will then rest solely on the Government of Sudan. This short term assistance is part of a comprehensive package designed to ensure peace and security, respect for territorial integrity, and cooperation.



## The Republic of South Sudan

---

This is a good deal for South Sudan.

South Sudan's negotiating team will return to Ethiopia soon to finalize the details of this oil deal and conclude additional agreements addressing the outstanding security issues, disputed and claimed border areas, the final status of Abyei, and further matters related to nationality. The result will be a single comprehensive peace agreement that will ensure the mutual viability of both States.

In doing so, South Sudan will finally be able to focus its attention and dedicate its full resources to establish our State institutions and build South Sudan into a free, peaceful, and prosperous nation for all.