

**DECOMMISSIONING FROM LICENSED BLOCKS: INVESTIGATING THE LEGAL  
CONFORMITY OF PETRONAS CARIGALI NILE LTD FARMING OUT AND  
DECOMMISSIONING FROM SOUTH SUDANESE OILFIELDS**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF LAW IN PARTIAL FULFILLMENT OF  
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## I. DECLARATION

I, **Jacob Dut Chol Riak** do hereby declare that this dissertation is my original work. It is not plagiarized and has never been submitted to any institution of higher learning for any academic credit. All other scholarly works have been duly acknowledged and cited accordingly. I am henceforth responsible for any omission herein if any.

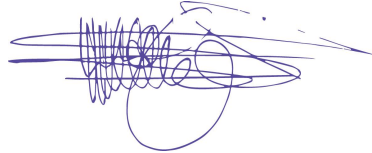
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Date: May 2024

## II. APPROVAL

This is to certify that this dissertation entitled “DECOMMISSIONING FROM LICENSED BLOCKS: INVESTIGATING THE LEGAL CONFORMITY OF PETRONAS CARIGALI NILE LTD FARMING OUT AND DECOMMISSIONING FROM SOUTH SUDANESE OILFIELDS” has been done under my supervision and now it is ready for submission.

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Supervisor: Prof. Isaac Christopher Lubogo, Ph.D.

Date: May 2024

### **III. DEDICATION**

To my beloved wife Achol J. Dut and Children; Deng and Angeer, kudos for your support to my scholarship!

#### IV. ACKNOWLEDGEMENT

Firstly, I thank the Good Lord for the gift of life and good health during the time of studying LLM in Oil and Gas at the prestigious Uganda Christian University (UCU). May his precious name be praised now and forever, Amen! I would like to profoundly and deeply thank my research supervisor, Prof. Lubogo Christopher for his wise guidance and insightful feedback. Many thanks Professor for your care and commitment during the period of supervision which was very smooth and timely. May almighty Lord reward you profusely. In addition, I would like to appreciate all instructors at IPSK for having instructed me with dynamism and interest. I will forever cherish the academic and research excellent of IPSK. Besides, I sincerely give my heartfelt gratitude to the Management of IPSK for their unwavering care and support and particularly, to Miss. Catherine Babalanda, Registrar of Academic Affairs for ensuring that we conclude this LLM programme on time.

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## VIII. LIST OF ABBREVIATIONS/ACRONYMS

BP	British Petroleum
DOE	Department of Energy
DOI	Department of Interior
DPOC	Dar Petroleum Operating Company
EPA	Environmental Protection Agency
EPSAS	Exploration Production Sharing Agreements
GPOC	Greater Pioneer Operating Company
IOCs	International Oil Companies
JOA	Joint Operation Agreement
JOCSA	Joint Operation Company Sharing Agreement
JOCS	Joint Operating Companies
Ltd	Limited
MEPR	Ministry of Energy and Mineral Resources
MOP	Ministry of Petroleum
NOC	National Oil Company
NILEPET	Nile Petroleum Corporation
NNPC	Nigerian National Petroleum Company
SPA	Shares Purchasing Agreement
SPOC	Sudd Petroleum Operating Company

SPSS	Statistical Package for Social Scientists
UCU	Uganda Christian University
UK	United Kingdom

## **IX. ABSTRACT**

The study has comprehensively investigated legal violations of Petronas Carigali Nile Ltd during farming out and decommissioning from South Sudanese oilfields. The study tested four objectives: to understand the origin and meaning of decommissioning in oil and gas industry, to assess the legal violations of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudanese oilfield, to determine the types of residual liabilities and to appraise the responsibility of residual liabilities. The study used a conceptual framework adopted from Shero, 2020 to explain the dependent variable: decommissioning from licensed blocks and independent variables such as legal violations of Petronas Carigali Nile Ltd, types of residual liabilities and responsibility of these liabilities.

The four study objectives were subjected to stringent empirical literature review and the gaps in the literature were filled through fieldwork. During field research, research tools and instruments such as questionnaires and interview guides/schedules were deployed with a target population of 60 people that was later determined via Yamane's formula to end up with a sample size of 52 respondents. The 52 sample was chosen persuasively and was clustered amongst the senior staff of Ministry of Petroleum (MOP), Nile Petroleum Corporation (NILEPET), Dar Petroleum Operating Company (DPOC), Sudd Petroleum Operating Company (SPOC) and Greater Pioneer Operating Company (GPOC).

The study findings' indicate that Petronas Carigali Nile Ltd has violated sections 12, 22, 23, 24, 41 & 42 of Petroleum Act 2012. Various types of liabilities such as cost recovery audit, environmental audit, petroleum taxes, surface rentals and cash calls should be taken care off by Petronas Carigali Nile Ltd or by a company that farms into its shares. While the study concludes that Petronas Carigali Nile Ltd did not intend to decommission its facilities from the oilfields but to farm out its shares, the study recommends that the Ministry of Petroleum should be held responsible for all the legal violations Petronas Carigali Nile Ltd have committed in South Sudan without any action. Whether Savannah Energy Ltd farms into Petronas Carigali Nile Ltd shares or not, consequences should be rolled out for such violations so that no any other IOC can do it again in this oil and gas world.

## CHAPTER ONE

### GENERAL INTRODUCTION

#### 1.1. Introduction and Background

Oil and gas industry has stayed and continued as an essential and critical global industry because of its international standards and specialized requirements, its depleting character, its capital, its labour and technological intensiveness. It is also a very robust industry because of its technical and commercial deals across its wide spectrum. The industry is presented in three-valued chains namely upstream, midstream and downstream which are also known as the segments of oil and gas industry. While these value-chains are very important, the upstream segment of oil and gas industry is more important. This upstream segment commences with exploration, appraisal, development, drilling, production and decommissioning which is widely known in the industry as abandonment or relinquished of oilfields. Decommissioning can take place either as a result of farming out of the company and termination of license or just relinquishing of the oilfields due to old age.

Once the investment in the oil and gas industry has taken place, particularly, with the International Oil Companies (IOCs) in a country, the decommissioning or abandonment stage become very imperative. This is mostly achieved through farming out or termination of license. While decommissioning is the final stage in the upstream segment of the oil and gas industry, it is the most vital stage because it deals with either total or partial removal of installations and the restoration of the site of where exploration, drilling and production have taken place with an aim of environmental

safety and protection of the people and living things around the area.<sup>1</sup> The terms and conditions of farming out and decommissioning are stipulated in any statute as well as acts of parliaments and regulations of that particular country. Whether the regulator takes Norway, US or UK model, decommissioning has been spot-lighted as a very critical undertaking involving both the government as well as the contractor. In the context of South Sudan, no previous farming out and decommissioning has been taken place since the acquisition of oilfields from the Government of Sudan during the independence of South Sudan on 9<sup>th</sup> July 2011. In the three operating blocks in South Sudan, Petronas Carigali Nile Ltd holds 40% shares in Dar Petroleum Operating Company (DPOC) of block 3 & 7, 30% shares in Greater Pioneer Operating Company (GPOC) of block 1,2, & 4 and 67.875% shares in Sudd Petroleum Operating Company (SPOC) of block 5A. Petronas Carigali Nile Ltd will be the first IOC in the history of oil and gas industry in South Sudan to declare its intention of farming out its shares as well as decommissioning its facilities from South Sudan. Nonetheless, this process of farming out and decommissioning is always taken with a lot of strictness as far as legal conformity is concern because of dire consequences due to financial loss as well as environmental degradation. For example, this particular farming out and decommissioning has a lot of legal loopholes given that Petronas Carigali Nile Ltd has ignored the provisions of the Petroleum Act, 2012, Exploration Production Sharing Agreements (EPSAs), Joint Operation Company Sharing Agreements (JOCSAs) as well as Joint Operation Agreements (JOAs) for all the blocks (1,2&3, 5A and 3 & 7).

While Petronas Carigali Nile Ltd argues that it is not selling its shares per se but

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<sup>1</sup> M.A. Ayoade, *Disused Offshore Installations and Pipelines: Towards Sustainable Decommissioning* (London: Kluwer Law International (2002)

selling its company, this argument doesn't hold water as the Petroleum Act 2012 and the regulations don't permit the selling of the company but only allow the selling of shares because of the responsibility of residual liabilities. Despite this, Petronas Carigali Nile Ltd went ahead and signed Shares Purchase Agreement (SPA) with Savannah Energy Ltd, a UK company based in London to buy Petronas assets to the tune of 1.25 billion United States dollars. This arrangement has been found breaching the legal provisions of South Sudan. Although the Ministry of Petroleum (MOP) advised Petronas Carigali Nile Ltd to adhere to the laid down rules associated with farming out and decommissioning in South Sudan, Petronas Carigali Nile Ltd leadership failed to adhere to the critical advice.

## **1.2. Problem Statement**

International Oil Companies' (IOCs) farming out and decommissioning has remained a great concern to the government, IOCs and the citizens of that particular country and above all, the captains of the industry. The concern is not on farming out and decommissioning of the IOC per se but on the whether the IOC has followed the legal procedures or not as stipulated in the laws and regulations of that country. Farming out and decommissioning has never taken place in South Sudan before, it is the first time Petronas Carigali Nile Ltd is doing it. While the Petronas Carigali Nile Ltd is aware of the legal requirements as stipulated in article, 22, 23 & 24, 41 & 42 in the Petroleum Act 2012 and in EPSAs and JOCSA for all the blocks (1,2 & 4, 5A and 3 & 7) on farming out and decommissioning, the Malaysian based company has not followed these procedures. This is the problem. For instance, section 22 of the Petroleum Act 2012 requires that the farming out company should first inform the Ministry of

Petroleum on the intention of farming out or leaving the oil fields for that matter. This was not done by the Petronas Carigali Nile Ltd. Further still, section 23 of the Petroleum Act, 2012 stipulates that Nile Petroleum Corporation, the National Oil Company (NOC) should first be given the first priority of farming in in lieu of other companies. Petronas Carigali Nile Ltd breached this clause by secretly signing Shares Purchase Agreement (SPA) with Savannah Energy Company to buy the assets of the former to the tune of 1.25 billion USD. This has compounded the problem.

When Savannah Energy Ltd was asked to be responsible for the decommissioning residual liabilities, the London based company refused to accept any responsibility and argued that it is buying the company called Petronas Carigali Nile Ltd and doesn't intend to pay for any decommissioning cost as well as residual liabilities such as cost recovery audit, environmental audit, surface rentals, taxes and accumulated cash calls. While the argument of selling Petronas Carigali Nile Ltd by Petronas International based in Kuala Lumpur, Malaysia and buying of Petronas Carigali Nile Ltd by Savannah Energy doesn't make sense legally, this has remained as a problem that warranted this study. Certainly, this area has been understudied in understanding the farming out and decommissioning, particularly, in the context of Petronas in South Sudan. While scholars such as Torabi and Tababaye (2021) studied legal regime of residual liability in decommissioning, Martin (2008) studied decommissioning of international petroleum facilities, Ayoade (2002) and Bowman (2001) studied farming out and disused of offshore installations, Anyatang (2021) studied decommissioning under Nigerian legal regime, Greg (2014) studied international dimension of

decommissioning from UK Continental Shelf, Abdo (2018) studied disclosure of provisions for decommissioning, Sommer (2018) studied decommissioning of offshore oil and gas structures and Lubogo (2021) studied international decommissioning, none of these scholars has studied farming out and decommissioning in the context of Petronas in South Sudan. Inspired by this academic gap, this study is set to fill this gap of knowledge.

### **1.3. Purpose**

The purpose of the study is to investigate legal conformity of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudan oilfields.

### **1.4. Objectives**

- To understand the origin and meaning of decommissioning in oil and gas industry
- To assess the legal violations of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudan oilfields
- To determine the types of residual liabilities
- To appraise the responsibility of residual liabilities

### **1.5. Research questions**

- What is the origin and meaning of decommissioning in oil and gas industry?
- What are the legal violations of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudanese oilfields?
- What are the types of residual liabilities?

- Who is responsible for residual liabilities?

## **1.6. Scope of study**

The study covered block 1,2,4, block 5A and block 3 & 7 of GPOC, SPOC and DPOC in investigating the legal conformity of Petronas Carigali Nile Ltd decommissioning from South Sudanese oil blocks and the interviews were done in Juba.

## **1.7. Justification**

The study is undertaken and it is justified on the ground that issues of farming out and decommissioning are quite sensitive in oil and gas industry and are now happening for the first time in South Sudan. There have been a lot of debates and discussions about the sale of Petronas Carigali Nile Ltd assets to Savannah Energy Ltd and counter debates and discussions that Petronas International Ltd has not sold its assets but sold the company known as Petronas Carigali Nile Ltd in South Sudan. While these debates and discussions have been advanced around the farming out of the Petronas Carigali, the decommissioning and the residual liabilities are very critical during the time of farming out. Although Petronas Carigali Nile Ltd has fully decided to farm out from its licensed blocks in South Sudan, it has not followed legal requirements as stipulated in Petroleum Act, 2012, EPSAs and other regulations. The violated legal clauses are critical to be pinpointed and this makes this study very justifiable. While Petronas Carigali Nile Ltd argues that it didn't sign Shares Purchase Agreement (SPA) to sell its shares in South Sudan but to sell its entire Juba based Petronas Carigali Nile Ltd. This argument has not sunk well as it contradicts the petroleum laws and regulations in South Sudan. For instance, section 22 of the Petroleum Act, 2012 stipulates that should the contractor decides to farm out and decommission from South Sudan, it

should first inform the Ministry of Petroleum.<sup>2</sup> More over section 23 of Petroleum Act, 2012 further stipulates the National Oil Company (NOC), Nile Petroleum Corporation should be given the first priority to farm in when a contractor decides to farm out in South Sudan.<sup>3</sup> However, if the NOC doesn't have the technical and commercial capabilities, then the contractor should have a right to contact other companies to purchase its assets with overall approval of the Ministry of Petroleum (MOP) of the Republic of South Sudan.

### **1.8. Significance**

The study is very significant as it is set to fill the gap of knowledge brought by the legal violations during the farming out of Petronas Carigali Nile Ltd in South Sudan. Numerous scholars such as Torabi and Tababaye (2021), Paterson (2011), Martin (2008), Ayoade (2002), Bowman (2001) and Lubogo (2021) in oil and gas industry have studied the decommissioning of oil and gas installations, legal implications and the actors responsible for residual liabilities. However, none of these scholars has researched on farming out and decommissioning of oil and gas installations in South Sudan. Farming out and decommissioning of oil and gas installations is quite a sensitive matter both for the government, oil companies and the people of South Sudan as it involves settling of the residual liabilities. In the context of Petronas Carigali Nile Ltd, the residual liabilities include cost recovery audit, environmental audit, surface rentals, taxes and cash calls. Studying the legal conformity of Petronas Carigali Nile Ltd farming out and decommissioning in South Sudan shall help the

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<sup>2</sup> Petroleum Act, 2012, page 22

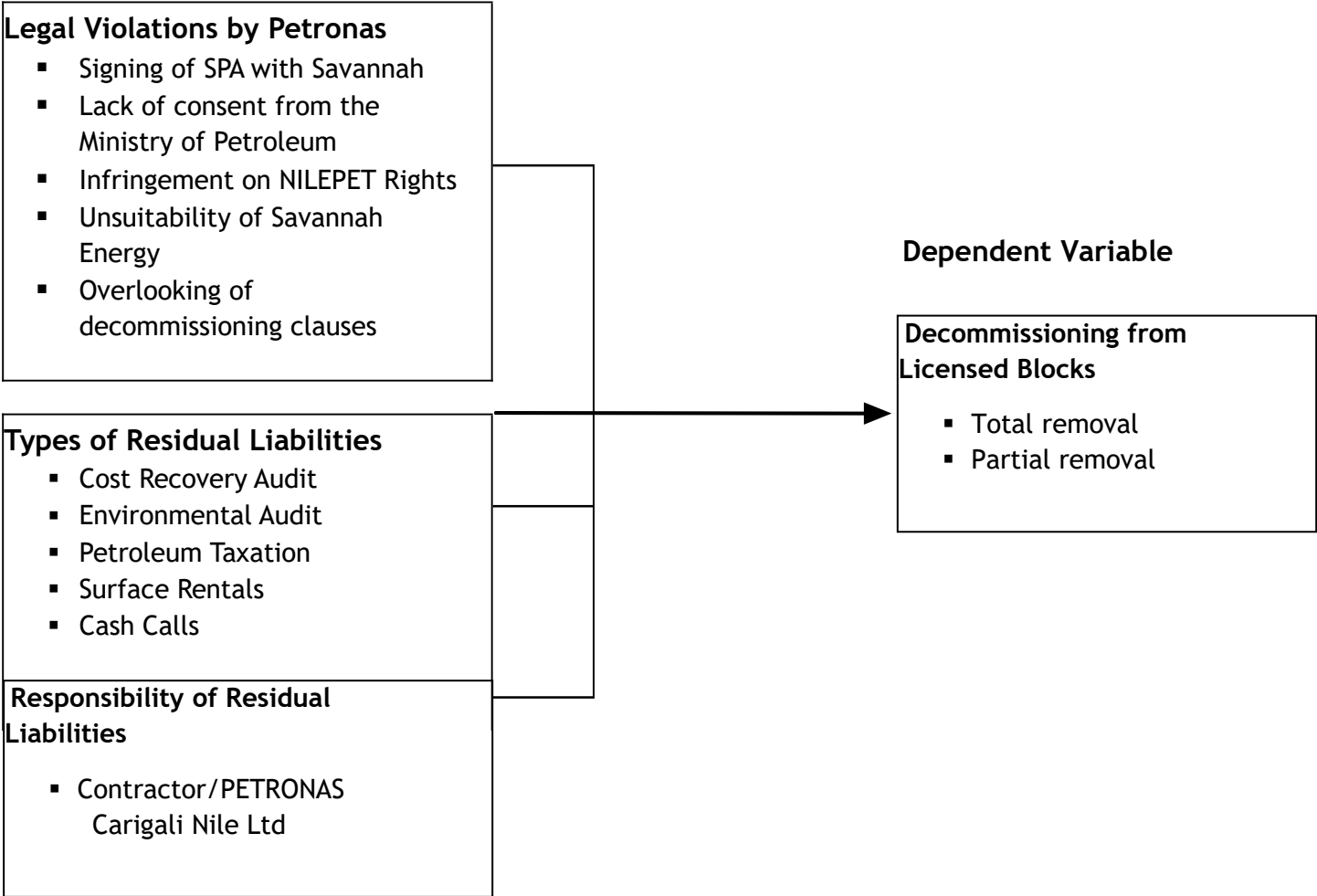
<sup>3</sup> Petroleum Act, 2012, page 23

government to roll out the policy of trust building to the International Oil Companies (IOCs) so that they don't neglect or willfully refuse to inform the government during farming out and consequently decommissioning. When the government is informed late, residual liabilities can be quite detrimental as the government has a mandate to legally restrict the contractor to meet its obligations on time before decommissioning. Besides, the study shall assist the oil companies to be mindful about the petroleum legal regimes so that farming out and decommissioning of oil and gas installations is done with respect and dignity as it involves life and death of the people affected by the operations of oil and gas activities. The study shall be a source of knowledge and empirical literature in the context of South Sudan, particularly; oil and gas fields and many academic and researchers shall find it useful to reference.

1.9. Conceptual Framework

1.9.1. Figure 1: Explanation of Variables

Independent Variables



*Adopted from Shero, 2020*

The choice of conceptual framework is that it is more practical than the theoretical framework because it clearly explains the variables. Thus, it is very important for this study.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1. Introduction

The section reviews the previous literature based on the specific research objectives, research questions and in the context of conceptual framework. Farming out and decommissioning has remained a serious matter both to the regulator (the government) and the industry goer (the contractor). While decommissioning is often referred to as the partial or total removal of oil and gas installations which are no longer in use in the oilfields, it has remained a contested matter for both regulator and the contractor.<sup>4</sup> Although decommissioning can often take place as it is the last stage in the upstream segment, its legal conformity has always remained a worrying trend for both the government and the oil companies. While the oil companies may wish to avoid legal responsibilities, the government takes the conformity as a serious matter given the liabilities associated with poor decommissioning procedures. Thus, the concept of decommissioning, legal violations, types of residual liabilities and responsibility of residual liabilities should be seriously situated in the empirical literature review and gaps in the literature should be filled through field research.

#### 2.2. The Origin and Meaning of Decommissioning

Decommissioning is a very old concept which was first pronounced around 1988 during Piper Alpha incident. Decommissioning of installations in oil and gas industry is a very vital concept since it indicates the total or partial removal of oil and gas installations

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<sup>4</sup> David Sharp, *Upstream and Offshore Energy Insurance*. Witherbys Insurance (2009)

in the oilfields in the oil producing country. It often refers to the partial or total removal of oil and gas installations from the onshore as well as offshore with the aim to leave the oilfield as it was initially found before exploration, drilling and production.<sup>5</sup> While it is the responsibility of the states through the governments to ensure that the installations are returned and restoration of oilfield is done, it is a responsibility of the contractor to make sure that it removes the movable facilities, restore the fields and make sure that it is economically, socially and environmentally safe for the people and animals. Given that decommissioning is a dainty stage in the oil and gas industry due to likely negative effect on the environment and the safety of any living thing around that particular environment, it ought to be done in accordance with the laws and the regulations of that particularly state through its government.<sup>6</sup>

### **2.2.1. Types of Decommissioning**

Depending on the nature of oil and gas facilities and regulatory frameworks, the key decommissioning types can be grouped into: total or complete removal, partial removal, refinery or use and topple in place.<sup>7</sup> While complete or total removal of installations seemed to be the safest method of termination and convenient, it could be considerably more difficult type because of environmental related matters, technical feasibility and commercial concerns. In the etymology of decommissioning, technical viability remains the most imperative purpose for the complete or total

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<sup>5</sup> Forough Torabi and SM Tababaye Nejad “Legal Regime of Residual Liability in Decommissioning: The Importance of Role of States” *133 Marine Policy 104727* (Elsevier, 2021)

<sup>6</sup> Peter Cameron, “*Decommissioning of Oil and Gas Installations: The Legal and Contractual Issues*”. Research Papers for the Association of International Petroleum Negotiators (AIPN), Dundee, Scotland, (1998)

<sup>7</sup> N.A.W.A. Zawawi, M.S. Liew, K.L. Na. *Decommissioning of Offshore Platform: A Sustainable Framework*. CHUSER 2012 IEEE Colloq. Humanit. Sci. Eng. Res (2012)

removal type. However, extra commercial expenses and environmental protection concern coupled together with spontaneous challenges have increased consideration to other alternative methods of decommissioning which have remained none-viable.<sup>8</sup> These alternative methods of decommissioning are shortcuts and non-legally conforming to laws of that particularly country. Because of a numerous structures that are designed not to be completely removed because they are fixed installations, decommissioning has remained a complex subject in the discourse of oil and gas industry. While the process of total removal could warrant environmental disasters, the partial removal of the installations can also lead to environmental hazards that continued to affect human persons who live in that natural world (environment).

### **2.3. Legal Violations of Petronas Farming Out and Decommissioning of Licensed Blocks in South Sudan**

#### **2.3.1. Signing of Shares Purchasing Agreement (SPA) with Savannah Energy Ltd**

Savannah Energy Ltd is a UK based company which is operating in Niger, Nigeria, Chad and Cameroon but has spread its investments across the world and particularly in North Africa and Sub-Saharan Africa. Purchasing of shares is the beginning point for any agreement of farming out of the company and farming in of the new company.<sup>9</sup> However, the SPA is not often substantively covered in the laws and regulations of decommissioning. While the laws and regulations would mention the total disclosure of the any agreement and negotiations of farming out and farming in of the companies,

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<sup>8</sup> Barnet Bernstein, *Evaluating Alternatives for Decommissioning California's Offshore Oil and Gas Platforms*. Inter. Environ. Assess. Manag. 11 (2015)

<sup>9</sup> William Frank, *The Concept and Application of Shares Purchasing Agreement (SPA)*. Palgrave. (1991).

SPA is vaguely addressed.<sup>10</sup> Savannah Energy Ltd acquired the upstream and midstream assets of ExxonMobil and Petronas in Chad and Cameroon in December 2021. This acquisition of assets through the SPA in both Chad and Cameroon is faced with enormous legal conundrums such as trust and cash flows commitment from Savannah Energy Ltd.<sup>11</sup>

Savannah Energy Ltd signed SPA with Petronas Carigali Nile Ltd in December 2022 agreeing to purchase the Petronas assets to the tune of 1.25 billion USD.<sup>12</sup> The details of SPA have not been disclosed to the public and to the government of South Sudan, particularly, the Ministry of Petroleum, who is the regulator of the oil and gas industry of South Sudan. In many pronouncements, Savannah Energy Ltd officials argued that they are buying the company call Petronas Carigali Nile and not the shares of Petronas as legally known. This pronouncement has been challenged as there is no way you can buy the company without buying the shares of that very company. However, Savannah Energy Ltd has a history of dishonoring deals. In December 2020, Savannah Energy Ltd entered into SPA with Petronas to acquire Petronas upstream and midstream assets in Chad and Cameroon but later terminated the SPA.<sup>13</sup> Here is the explanation:

Completion of the proposed acquisition of assets in Chad and Cameroon

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<sup>10</sup> Boza Marianna. Duties and Challenges of the Regulations Related to Decommissioning and Abandonment of Oil Wells in Colombia. *Journal of World Energy Law and Business*. (2019) 12 (5): 387-401

<sup>11</sup> Nunzia, Capobiasco, Toward a Sustainable Decommissioning of Offshore Platforms in the Oil and Gas Industry. *Sustainability* (2023).

<sup>12</sup> Michael Gatluak, *PETRONAS Carigali Nile Signs Shares Purchasing Agreement (SPA) with Savannah Energy in South Sudan*. Oil News, Juba (2023).

<sup>13</sup> Ibragim Khalidor, *Decommissioning of Oil and Gas Assets: Industrial and Environmental Security Management*. Heliyon Cell Press (2021).

remained subject to fulfillment of certain situations precedent which have not yet been satisfied, and Savannah Energy and Petronas have therefore mutually agreed to terminate the SPA with immediate effect.<sup>14</sup>

### **2.3.2. Lack of consent from the Ministry of Petroleum (MOP)**

Given that Petronas and Savannah Energy made both farming out and farming in as a secret agreement. The Ministry of Petroleum was not made aware of such arrangements. The Petroleum Act, 2012 is quite explicit on the necessity of informing the Ministry of Petroleum on any decision the licensees/contractors make in the oil and gas industry of South Sudan. Section 22 of the Petroleum Act, 2012 subsection (1) argues:

A contractor shall not directly or indirectly assign all parts of the contractual rights and duties under a petroleum agreement to a third party, including an affiliate, without the prior written consent of the Ministry of Petroleum (MOP).<sup>15</sup>

While this is quite clear as stipulated above, Petronas Carigali Nile violated this provision and interestingly the MOP is very slow in taking action against Petronas. The reasons for MOP apathy are yet to be known.

### **2.3.3. Infringement on the Preemption Rights of NILEPET (NOC)**

Rights of National Oil Company (NOC) are very essential during the farming out and decommissioning of an IOC. When an IOC intends to farm out and decommission, it should inform the MOP and the MOP should in turn inform the NOC of the available shares that can be farmed in by the government. Once, the NOC expresses its interest

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<sup>14</sup> Tim Martin, *Decommissioning of International Petroleum Facilities: Evolving Standards and Key Issues*. Governance Inc (2021).

<sup>15</sup> See Petroleum Act, 2012, page 22.

which should be supported by the technical and commercial strength, the NOC will be allowed to farm in. However, if the NOC doesn't possess technical and commercial prowess, then it can not be allowed by the MOP to farm in. In this case, the MOP will allow any other interested company with technical and commercial muscles to farm in. Nonetheless, the preemption rights of the NOC such as NILEPET should have been allowed first to see its technical and commercial readiness. However, Petronas and Savanna Energy Ltd violated this NILEPET preemption rights by failing to inform MOP who should have in turn informed NILEPET and give it the first opportunity to acquire Petronas shares. This was not done and NILEPET has continued to challenge Petronas and Savanna Energy on this matter. While farming in for any business is very essential, recognition of the local companies in terms of expanding their businesses should be emphasized. The rights of NILEPET to take over the shares of Petronas has been violated through behind the scene deal by both Savannah Energy and Petronas Carigali Nile. Petroleum Act, 2012 section 23 articulates the following pre-emption rights of NILEPET as follows:

Where a contractor decides to dispose of all or part of its interest under a petroleum agreement, the National Oil Company (NILEPET) shall have the right and first option to acquire the interest on the same terms as agreed with the potential buyer. If the agreed consideration is not monetary value, the National Oil Company shall have the right to pay the corresponding monetary value of the agreed consideration.<sup>16</sup>

The infringement of the preemption rights of the National Oil Companies (NOCs) is a common occurrence amongst the contractors in oil and gas industry. In 2005,

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<sup>16</sup> See Petroleum Act, 2012. Page 23.

ExxonMobil infringed on the rights of Nigerian National Petroleum Company (NNPC) by partnering and signing a secret deal with British Petroleum (BP) which was later rejected by the Ministry of Energy and Mineral Resources (MEPR) of Nigeria.<sup>17</sup> The farming out of ExxonMobil and farming in of BP did not materialize because the regulator, MEPR was not in the know and Savannah Energy Ltd was doing shoddy deals which later led to its withdrawal when noticed.<sup>18</sup>

#### **2.3.4. Unsuitability of Savannah Energy**

Savannah Energy Ltd has showcased itself as unsuitable partner in farming in of any oil and gas decommissioning projects in the world. While it is a company with huge asset portfolio and vast footprints in North Africa as well as Sub-Saharan Africa, it has demonstrated an integrity challenge. As argued elsewhere in this dissertation, Savannah Energy cancelled Shares Purchasing Agreement (SPA) with Petronas in Chad and Cameroon due to unclear reasons. This also occurred with Savannah Energy Ltd in Nigeria where ExxonMobil and BP could not proceed with Shares Purchasing Agreement (SPA) as Savannah Energy Ltd pulled out at the last minute giving no details.<sup>19</sup>

#### **2.3.5. Overlooking of Decommissioning clauses**

All the decommissioning clauses have been violated by Petronas farming out and Savannah Energy Ltd farming in. For instance, Petroleum Act, 2012, section 41 on decommissioning fund stipulates that “the licensor and the contractor shall establish

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<sup>17</sup> Samuel Chisa, *Decommissioning and Abandonment of Oil and Gas Facilities Legal Regime in Nigeria: Any Lesson from Norway, the UK and Brazilian legal Frameworks* (2017).

<sup>18</sup> Brian Anyatang, Abandonment/Decommissioning under Nigeria Legal Regimes: A Comparative Analysis. *Environmental Law Review* (2021).

<sup>19</sup> Greg Gordon, *Oil and Gas Law: Current Practice and Emerging Trends*. 2<sup>nd</sup> Edition. Dundee University Press (2014).

a decommissioning fund immediately after the approval of a plan for development and operation or the granting of a license for transportation systems, as prescribed in the regulations”.<sup>20</sup> However, there was no decommissioning fund created both by the Ministry of Petroleum (MOP) and Petronas Carigali Nile Ltd. This is a big violation by the regulator itself-the MOP as well as the Petronas Carigali Nile Ltd. Nonetheless, decommissioning costs are extremely high and are always incurred when the field is no longer producing at its highest level.<sup>21</sup> Thus, securing funds early for eventual decommissioning activities, and preferably well ahead of time, is a good preparatory measure.<sup>22</sup>

Furthermore, section 42 of Petroleum Act, 2012 on plugging and abandonment of Wells stipulates that the contractor shall submit to the Ministry of Petroleum immediate notice of any decision to abandon a Well.<sup>23</sup> Petronas Carigali Nile Ltd did not submit any notice of any decision to abandon a Well to the MOP. This has surfaced as a serious violation of the Petroleum Act, 2012 and the subsequent regulations. Once the abandonment cum decommissioning is done wrongly, it effects the environment severely.<sup>24</sup> While contractors are always in loggerhead with the regulators on the abandonment, the regulators themselves have never been quick and responsive in addressing the mistakes of the contractors or the licensees.<sup>25</sup>

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<sup>20</sup> See Petroleum Act, 2012. Page 41.

<sup>21</sup> Isaac, Lubogo, *The Law of Oil and Gas in Uganda*. First Edition. Jescho Publishing House (2021).

<sup>22</sup> Ibid

<sup>23</sup> See Petroleum Act, 2012. Page 41.

<sup>24</sup> Brigitte, Sommer, *Decommissioning of Offshore Oil and Structures-Environmental Opportunities and Challenges*. *Science of the Total Environment* (2018).

<sup>25</sup> David Sharp, *Upstream and Offshore Energy Insurance*. Witherbys Insurance (2009).

## 2.4. Types of Residual Liabilities

### 2.4.1. Definition of Residual Liabilities

Residual liabilities refer to any obligation or responsibility imposed on the licensee/operator or facility owner after the completion of the oil and gas operation in a licensed area or a block.<sup>26</sup> While the residual liabilities may fall under the rubric of the licensee or the operator, this is not always the matter. The residual liabilities may also fall under the rubric of the state or the government of the day. In other governmental systems, they may fall under the rubric of both the licensee and the states or the governments of the day. In most cases, residual liabilities include the following matters:

- Unpaid taxes;
- Environmental harms;
- Maintenance and repairs;
- Potential harm to humans and animals;
- Contingent liability or third party liability; and
- Failure to compliance with legal and regulatory requirements.<sup>27</sup>

### 2.4.2. Legal Approaches to the Residual Liabilities

#### I. State Centered Liability

This is an approach where the responsibility of liabilities lies on the state which is represented by the government of the day. The legal approach for decommissioning

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<sup>26</sup> Martin Tim, “*Decommissioning of International Petroleum Facilities Evolving Standards & Key Issues*” adv. governance. Inc (Calgary, Alberta, Canada, 2008).

<sup>27</sup> John Paterson, “*Decommissioning of Offshore Structures*” in *Oil and Gas Law: Current Practice and Emerging Trends*, Greg Gordon and John Peterson (eds) (Dundee University Press, 2<sup>nd</sup> ed, 2011, Chapter 10).

and farming out at the United States is rooted in the federal level, state level and other departments that are parties to the regulation and follow-up of onshore and offshore decommissioning.<sup>28</sup> It is critical to note that at the federal level at the United States of America, the most imperative institutions that have endeavored to participate in decommissioning and farming out processes are Department of Energy (DOE), Environmental Protection Agency (EPA) and Department of Interior (DOI). This legal method dictates that all the licensees that have decommissioning and farming out projects in the oilfields are needed to bow equally to federal and states regulations of the United States.<sup>29</sup>

## II. Owner Centered Liability

This is a method where the responsibility of the liabilities lies on the contractor or on the International Oil Company (IOC). It is mostly known with a catch-ubiquitous phrase commonly known as “*polluter pays principle*”. In other words, the asset or facilities owner is liable for the cost after farming out and decommissioning in the oilfields. Countries that mostly practice this type of legal regime method are the , Brunei, the Netherlands and the United Kingdom. The United Kingdom has numerous laws and regulations that govern farming out and decommissioning procedures. These laws include the Petroleum Act, 1987 as amended which stipulates the necessity of governmental approval of farming out and decommissioning cum abandonment plans, the Prevention of Oil Pollution Act, 1972 that gearshifts spillages of oil and the Control of Pollution Act, 1974 that sanctions the disposal of special spillages. To be

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<sup>28</sup> Greg Gordon, *Oil and Gas Law: Current Practice and Emerging Trends*. 2<sup>nd</sup> Edition. Dundee University Press (2014).

<sup>29</sup> Foroogh Torabi and SM Tababaye Nejad, “Legal Regime of Residual Liability in Decommissioning: The Importance of Role of States” *133 Marine Policy* 104727 (Elsevier, 2021)

certain, a number of installations and structures in the United Kingdom North Sea were farmed out and decommissioned except the most famous case of Brent Spar which completely led to the changes in the regulations on farming out and decommissioning in the United Kingdom Continental Shelf, taking into account the environmental protection and concern on notch higher basis.<sup>30</sup> The UK Department Guidance Note, Section 17 stipulates that “residual liability remains with the owner of facility or asset forever and no government is responsible for this liability”.<sup>31</sup> This therefore means that the state, represented by the government, has no any responsibility in settling of the residual liabilities.

### **III. Mediated Liability**

This is a legal method where the responsibility of liabilities lies with both the operator/licensee and the state. The state that is principally using this legal method is Norway. In accordance with Norwegian Petroleum Act, 1996, residual liabilities are mediated and more importantly negotiated between the state and the licensee. In reinforcing this argument, Norwegian Petroleum Act, 1996, section 5 (4) notes:

“During the time of making decisions for farming out and decommissioning, it should be mutually agreed and approved between the licensees on one side and the state, represented by the government on the other side so that emerging issues are addressed and then residual liabilities are taken over by both the licensee and the state based on agreed financial package compensation”.<sup>32</sup>

From the above description, Norway therefore has complex structures for farming out

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<sup>30</sup> Bennie Lynn, Brent Spar: Atlantic Oil and Greenpeace. *51 Parliamentary Affairs* (1998): 397-410

<sup>31</sup> The UK Petroleum Act, 1998.

<sup>32</sup> Norwegian Petroleum Activities Act, 1996, Chapter 5, Section 5 (4)

and decommissioning of facilities in the licensed areas or oilfields. Thus, according to the Norwegian Petroleum Law of 1996, Norwegian government has a straightforward mandate of assuming some parts of decommissioning expenses to aid licensees or contractors via an economic package known as ‘grant method’.<sup>33</sup> The choice of residual liabilities stay as stipulated in Petroleum Act, 1996 of Norway which has the merit of eschewing complex losses associated with petroleum companies’ failures to pay back.<sup>34</sup> Although liabilities are confined in this legal approach, the danger of financial doubt for the industry goes and financial guarantors could significantly reduce.

### **2.4.3. Various types of residual liabilities are discussed as below:**

#### **2.4.3.1. Cost Recovery Audit**

It is a concept in accounting that refers to an approach in which a company doesn’t recognize any profit emanating from a sale until the cash collected exceeds the cost of the goods or service sold.<sup>35</sup> In other words, using this approach, profits are only recognized when cash payments have recovered the seller’s cost. Indeed, this is a liability associated with excessive cost incurred by the licensee during the exploration and production of the hydrocarbon resources. This cost belongs to the government and in the context of South Sudan, Petronas Carigali Nile Ltd has a cost recover

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<sup>33</sup> Forough Torabi and SM Tababaye Nejad, “Legal Regime of Residual Liability in Decommissioning: The Importance of Role of States” *133 Marine Policy* 104727 (Elsevier, 2021)

<sup>34</sup> Clarissa Kowarski, Decommissioning in Norway and Brazil: Legal Aspects of technical Analysis. *Journal of World Energy Law and Business* (2019) 12 (5): 440-460

<sup>35</sup> Vincenzo Basile, *the Usefulness of Sustainable Business Models: Analysis from Oil and Gas Industry*. Wiley (2021).

liability of 1.6 million USD.<sup>36</sup> It has to recover this cost and give it to government before farming out and decommissioning from South Sudanese oilfields.

#### **2.4.3.2. Environmental Audit**

This is a review of the environmental pollution. So far, Dar Petroleum Company (DPOC), a consortium in which Petronas Carigali Nile Ltd has 40% shares in block 3 & 7 in Paloch has been audited. Severe environmental pollution has taken place at Paloch and the MOP is yet to announce the environmental audit results in term of money compensation. Unofficial statements indicated that environmental pollution liability for Petronas Carigali Nile already stands at 1.4 billion USD. This remains a liability to Petronas Carigali Nile Ltd or the reputable company that shall agree to farm in.

#### **2.4.3.3. Petroleum Taxes**

Petroleum tax is one of the residual liabilities during farming out and after decommissioning of a contractor from oilfields. The default in payment of taxes cannot go unclear when a company is leaving the oilfields. This is because when a contractor failed and defaulted to pay the petroleum taxes, then the government through the MOP will be held responsible for such defaulting by the tax administering institution. For Petronas Carigali Nile Ltd, an outstanding amount of 6.7 million USD taxes are yet to be paid to the government of South Sudan as the accrued outstanding profit taxes for Petronas Carigali Nile Ltd since its operations from 2011 until the 2022.<sup>37</sup>

#### **2.4.3.4. Surface Rentals**

Block 3 & 7 where Petronas Carigali Nile Ltd has 40% equity as said earlier has annual

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<sup>36</sup> Michael Gatluak, Petronas Carigali Nile Signs SPA with Savannah Energy in South Sudan. *Oil News, Juba* (2023).

<sup>37</sup> Ibid

surface rental fees of 3 million USD required to be paid to the government of South Sudan through the MOP by the contractor and in this case DPOC where Petronas Carigali Nile Ltd has a big stake. Block 5A which is managed by SPOC has an annual rent fee of 1.5 million USD and block 1,2 & 4 that is managed by GPOC has an annual rental fee of 1 million USD. The government through the MOP argues that Petronas Carigali Nile Ltd has an outstanding amount of 5.5 Million USD as the surface rental charges to the government of South Sudan through the MOP for all the three blocks.

#### **2.4.3.5. Cash Calls**

Cash calls are the expenses due and required to be paid by the company for the running of the activities of that consortium.<sup>38</sup> In DPOC, Petronas Carigali Nile Ltd has outstanding cash call of 1.2 Million USD.<sup>39</sup> SPOC has an outstanding cash call of 800,000 USD and GPOC has an outstanding cash call of 500,000 USD. The total outstanding cash call Petronas Carigali Nile Ltd needs to pay amount to 2.5 million USD. This is a residual liability that needs to be cleared by Petronas Carigali Nile Ltd before total farming out and decommissioning from South Sudanese oilfields.

### **2.5. Responsibility of Residual Liabilities**

#### **2.5.1. Contractor/Petronas Carigali Nile Ltd**

As argued earlier, the responsibility of residual liabilities is very important for purpose of avoiding losses and for graceful exit of a contractor from the licensed area in the oilfields. South Sudan is using the UK, Brunei and Netherlands legal approach where the responsibility of liabilities lies with the contractor. Section 46 of Petroleum Act,

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<sup>38</sup> James Wale. *The Concept of Cash Calls in Petroleum Industry*. (Oxford University Press, 2019).

<sup>39</sup> Tama Mohammed, Petronas Outstanding Cash Call Due to DPOC in South Sudan. *Petro-Quest Magazine*, Juba (2021).

2012 gives the responsibility of liabilities to the contractor. It stipulates that “a licensee or contractor who is under an obligation to implement a cessation decision is subject to strict liability to the government for any loss or damage, however caused, in connection with decommissioning of the facility or other implementation of the decision”.<sup>40</sup> This provision is quite explicit and doesn’t have any grey area in its interpretation. Thus, the contractor should be held responsible for any liability and in this case, Petronas Carigali Nile Ltd should carry the cross.

## **2.6. Gaps in the literature, which can be filled through, field research**

From the above reviewed literature, gaps of knowledge can be identified as follows:

- **The concept of decommissioning.** This has not been exhaustively covered. Thus, it shall be probed further through field research.
- **Legal violations of Petronas Carigali Nile Ltd in South Sudan.** This has been vigorously tested through the empirical literature review. For instance, the signing of SPA by Petronas Carigali Nile Ltd with Savannah Energy Ltd, lack of knowledge and information by the MOP of the farming out and decommissioning of Petronas Carigali Nile Ltd and farming in of Savannah Energy and the infringement on the rights of NILEPET. However, fresh insights to these legal violations should be sourced through field research.
- **Types of residual liabilities.** Various types of residual liabilities such as cost recovery audit, environmental audit, petroleum taxes, surface rentals and cash calls have been tested through the literature review. However, the details and

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<sup>40</sup> See Petroleum Act, 2012. Page 43

up to date data on these liabilities is missing. This shall be sourced through field research to fill the gap.

- **Responsibility of residual liabilities.** This has been covered comprehensively in the empirical literature. However, details of responsibility of Petronas Carigali Nile Ltd of residual liabilities in all the blocks in South Sudan shall be further investigated. This gap shall be filled through field research.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1. Introduction**

Research methodology is very important and it is mandatory for this study. This study deployed a robust methodology as follows:

#### **3.2. Research Design**

The study used both qualitative and quantitative research designs in Juba, particularly at Ministry of Petroleum (MOP), NILEPET and Joint Operating Companies such as Dar Petroleum Operating Company (DPOC), Greater Pioneer Operating Company (GPOC) and Sudd Petroleum Operating Company (SPOC) as a case study and ethnographic method which was applied to investigate the legal conformity of farming out and decommissioning of Petronas Carigali Nile Ltd in South Sudan. Qualitative design was used during surveys and quantitative was used in form of descriptive research in the presentation and analysis of the data.

#### **3.3. Area of Study**

The study was conducted in Juba, South Sudan and at the offices of the Ministry of Petroleum (MOP), NILEPET, DPOC, GPOC and SPOC. Juba is situated at central part of South Sudan and it is the place where the offices of MOP, NILEPET, DPOC, GPOC and SPOC are located. The discussions and the legal implications of Petronas farming out of South Sudan as well as the farming in of Savannah Energy Ltd are taking place at the corridors of the MOP, NILEPET, DPOC, GPOC, and SPOC in Juba, South Sudan and the study focused in these areas.

### 3.4. Sources of Information

The study deployed both primary and secondary sources of data. Primary data was acquired through interviews and surveys. Secondary sources of data was acquired through content analysis of empirical literatures, reports and periodicals from MOP, NILEPET, DPOC, GPOC and SPOC.

### 3.5. Population and Sampling Techniques

The study focused on the senior officials in oil and gas industry in Juba, South Sudan. Sample size was 60 respondents with sampling types of clusters and persuasive. Given that this is a specialized study with limited knowledge to the South Sudanese population, random or purposive samplings were not applied. It is persuasive sampling, depicting those with knowledge on farming out and decommissioning of Petronas Carigali Nile Ltd and farming in of Savannah Energy Ltd and then clustered at the MOP, NILEPET, DPOC, GPOC and SPOC offices.

### 3.6. Determination of Study Sample

**Table 1: Target Population**

<b>Category</b>	<b>Population</b>
Ministry of Petroleum Senior Staff	20
NILEPET Senior Staff	10
DPOC	10
GPOC	10
SPOC	10
<b>Total</b>	<b>60</b>

### 3.6.1. Sampling Technique and Sample Types

The sample size of this dissertation was derived using a formula designed by Taro Yamane (1967) with 95% level of confidence and when the size of the target population is known.<sup>41</sup> The size (n) is determined based on the below formula:

$$n = \frac{N}{1 + (e)^2}$$

Where N= population size, e=level of precision (0.05), n= sample size

$$n = \frac{60}{1 + 60(0.05^2)}$$

$$n = \frac{60}{1 + 60(0.0025)}$$

$$60$$

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<sup>41</sup> Taro, Yamane, *How to Calculate a Reliable Sample Size in Field Research*. Harvard University Press (1967).

$$n = \frac{\quad}{1 + 0.15}$$

60

$$n = \frac{\quad}{1.15} = \underline{52}$$

**Table 2: Sample Size**

<b>Category</b>	<b>Population</b>	<b>Sample</b>
Ministry of Petroleum Senior Staff	20	12
NILEPET Senior Staff	10	10
DPOC Senior Staff	10	10
GPOC Senior Staff	10	10
SPOC Senior Staff	10	10
<b>Total</b>	<b>60</b>	<b>52</b>

### **3.7. Variables Definitions and Measurements**

Various variables such as dependent variable: decommissioning from licensed blocks and independent variables: legal violations of Petronas Carigali Nile Ltd, types of residual liabilities and responsibility of residual liabilities were defined and measured during the study. Other variables such as intervening (moderating) and dichotomous were clearly defined and measured during the study. The variables were nominally and ordinally measured. The nominal scale was used to measure variables such as the meaning of decommissioning. The ordinal scale was used to measure aspects such as performance of Savannah Energy Ltd in Niger, Chad and Cameroon. The five-point Likert type scale (5 being the highest and 1 being the lowest) was used to measure the independent variables and the dependent variable. The choice of this scale of measurement is that each point on the scale carries a numerical score, which was used to measure the respondent's feeling.

### **3.8. Procedure for Data Collection**

A letter of permission to collect the data was obtained from Institute of Petroleum Studies, Kampala (IPSK), Faculty of Law of the Uganda Christian University (UCU). Three letters were acquired from the Ministry of Petroleum, Director General of Petroleum Authority and were directed to Presidents and Vice Presidents of DPOC, SPOC and GPOC to enable the researcher to do the interviews in Juba. The researcher liaised with the Ministry of Petroleum in Juba and thus the interviews at MOP, NILEPET, DPOC, GPOC and SPOC were successfully carried out.

### **3.9. Data Collection Instruments**

The study deployed data collection instruments such as questionnaire and interview guides/schedules to collect the data on Petronas farming out and decommissioning in South Sudan and these interviews were done in Juba. Questionnaires, interview guides/schedules were first designed and piloted with some experts at MOP and NILEPET to ensure that information being sourced is as clear as possible. Deep surveys of the respondents were conducted to understand in detail the farming out and decommissioning of Petronas Carigali Nile Ltd in South Sudanese oilfields. Specialized interviews, particularly, key informants (KIs) were conducted to tap out the detail and more importantly refined insights about Petronas farming out and decommissioning from South Sudanese oilfields.

### 3.10. Piloting the study

Pilot study refers to small-scale study, which is conducted before the actual study.<sup>42</sup>

It is a dry run and a small test of the actual study.

The study was piloted to achieve the following:

- To understand the entire process of the research (research problem, research objectives, empirical literature, research design and the respondents). This helped in clarifying issues before larger study;
- To understand the quality control of data collection tools. For instance, it was great to check questionnaires and interview guides if they were found properly structured, clearly written and completed although some amendments were made to some questions; and
- To help in proposing the data analytical tools such as SPSS, STATA and ANOVA.

Hence, this study was piloted by 10% of the respondents (52), which are 5 respondents to clearly understand the entire research and make corrections before the larger study. During piloting, question 11, 14 and 16 in the questionnaire were corrected and properly understood by the respondents. This really helped in saving time, money and energy during fieldwork.

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<sup>42</sup> James, Malmqvist, Conducting the Pilot Study: A Neglected Part of the Research Process? Methodological Findings Supporting the Importance of Piloting in Qualitative Research Studies. *International Journal of Qualitative Methods*, Vol 18 (1): 1-11 (2019).

### **3.10.1. Quality/Error Control**

The study ensured that quality was observed and errors during the collection of data were avoided. Reliability and validity mechanisms of data collection were deployed and 52 targeted respondents were reached on time and the information was recorded.

### **3.10.2. Reliability**

A Cronbach Alpha Reliability Coefficient of 0.834 was obtained which is above 0.7 and the research instruments were considered reliable. Cronbach Alpha is used to assess reliability and internal consistency of the study. Cronbach Alpha is calculated by correlating the score for each scale item with the total score for each observation (normally test takers or individuals surveyed respondents), and then comparing that to the variance for all individuals item scores.

### **3.10.3. Validity**

The validity of study instruments was determined using expert judgments such as professional advice from peers and supervisors.<sup>43</sup> Five experts were contacted to evaluate and critically assessed the validity of the instruments. The experts were asked to rate questions depending on their relevancy. The Content Validity Index (C.V.I) was established by dividing the number of items rated relevant and total number of items. It is clear that CVI was 0.765 which was above 0.7 which is considered valid.

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<sup>43</sup> Richard Kothari. *Research Methodology-Methods and Techniques*. New Delhi. New Age International Ltd, Publishers, 2004.

#### **3.10.4. Data Processing and Analysis**

The study used sophisticated data processing and analysis tools such as SPSS 2.1 and Microsoft excel where possible to interpret and present the data. Cleaning up of the data was done and analysis were presented in the context of research objectives, questions and literature review. Various explanations were recorded.

#### **3.10.5. Ethical Considerations**

The study deployed ethical considerations. Ethical considerations applied include matters of confidentiality, consent, assent, anonymity, integrity and benevolence during the research process. All respondents that were surveyed and interviewed were kept with the greatest confidentiality. There were no any ethical hurdles faced during the whole research process.

#### **3.10.6. Anticipated methodological constraints**

Instruments of data collection such as questionnaires and interviews were not affected by low levels of literacy in South Sudan and more importantly, low knowledge in farming out and decommissioning in South Sudan did not constraint the data collection process as the study focused on senior staff in the oil and gas industry of South Sudan. Misconceptions about the study to be a threat to South Sudan national security since it is external in nature did not curtail a lot of senior staff in oil and gas industry in South Sudan to participate. Indeed, a lot of senior staff in oil and gas industry in South Sudan responded well to the study in Juba. Hence, the questionnaire and interviews were sufficient and the findings of the study were achieved.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

#### 4.1. Introduction

This chapter analyzes, presents and interprets the findings within the context of problem statement, research objectives, research questions, conceptual framework and literature review. Data presentation refers to examining what has been collected in a survey or experiment and making deductions and inferences. It involves uncovering underlying structures, extracting important variables, detecting any anomalies and testing any underlying assumptions.<sup>44</sup> It includes critically analyzing the acquired information and making elaborate inferences. Danny Kombo & Daniel Tromp further argues that the presentation of data refers to ways of arranging data to make it clearly interpreted and understood.<sup>45</sup>

The chapter more still ensures the scientific analysis, presentation and interpretation of data and this indeed helped in the understanding of the results of this research study.

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<sup>44</sup> Danny Kombo and Daniel Tromp. *Proposal and Thesis Writing: An introduction*. Nairobi. (Pauline Publications, 2006).

<sup>45</sup> Ibid.

## 4.2. Origin and Meaning of Decommissioning

**Table 3: Origin of Decommissioning**

Categories	Frequency	Percent
Valid Yes	22	42.3
No	14	26.9
No Idea	16	30.8
<b>Total</b>	<b>52</b>	<b>100.0</b>

Asked about the origin of decommissioning, 22 respondents representing 42% said yes to the meaning of decommissioning and cited the first discussions over decommissioning in the United States around 1922. Apart from the United States, some respondents argued that the idea of decommissioning originated and became clearer in 1988 during Piper Alpha incident that became the largest explosions in North Sea with around 160 people killed. Besides, the respondents further noted that after Piper Alpha then came Brent Spar incident of 1995 that draw attention to the issue of decommissioning of outdated North Sea oil and gas installations. However, 14 respondents represented 27% argued that there were not aware about the origin of decommissioning and cited that it is a concept like other concepts in oil and gas industry that morphed in to the usage and applications. 16 respondents, represented 31% argued that they had no idea on the origin of the concept of decommissioning citing lack of adequate literature in understanding the etymology of decommissioning.

Figure 2: Meaning of Decommissioning

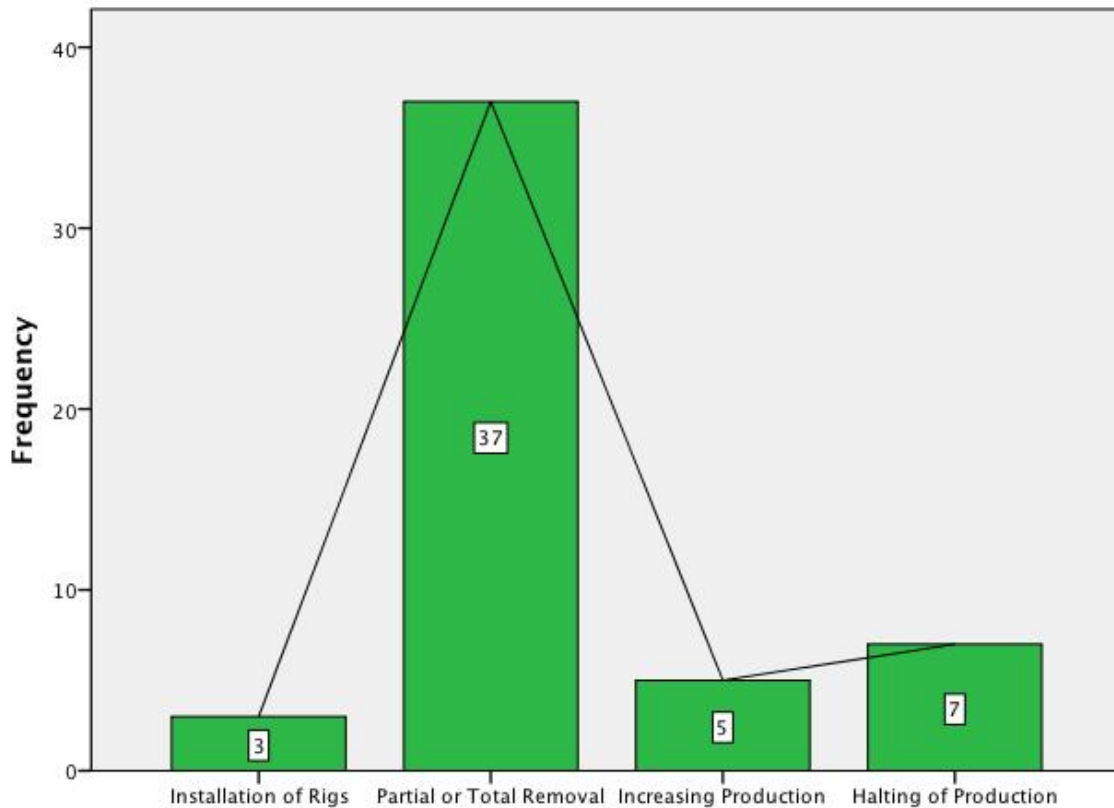


Figure 2 queried about the meaning of decommissioning. 3 respondents out of 52 argue that decommissioning refers to the installation of rigs. Besides, 37 respondents out of 52 argue decommissioning refers to partial or total removal of installations in the oilfields. These respondents argue decommissioning could not be completed without either partial or total removal of the installations in the oilfields. These installations could refer to movable and immovable facilities. Besides, 5 respondents out of 52 define decommissioning as increasing of production in the oilfields and finally 7 respondents out of 52 refer to decommissioning as halting or stopping of production in the oilfields. While this questioning tested the respondents' level of

awareness about definition of decommissioning, 37 respondents indeed gave a response that resonates with literature review that decommissioning is partial or total removal of installations from the oilfields.

**Table 4: Farming out and Decommissioning**

Categories	Frequency	Percent
Valid Yes	3	5.8
No	49	94.2
Total	52	100.0

Asked whether farming out is the same with decommissioning, 3 respondents representing 6% noted yes referring farming out to be the same with decommissioning. These respondents argued that farming out is the withdrawal or selling of shares that ultimately lead to decommissioning. However, 49 respondents, representing 94% responded with no that farming out is not the same with decommissioning. These respondents cited that farming out is purely business and transactional thus referring to selling or withdrawal of shares from a consortium for purpose to terminating exploration production sharing agreement. On the other hand, decommissioning is adequately geared toward environment and safety and it is done when cleaning the oilfields when the contractor leaves. A contractor can leave the oilfield without farming out and the reasons could be issues to do with environmental degradation or pollution and the regulations require that a contractor should carryout decommissioning when the life of that particular block or field has come to an end and this is clearly stipulated in the regulations of given country. Thus, farming out is

not the same as decommissioning because decommissioning is environmental and safety and farming out is commercial and transactional. However, Petronas Carigali Nile Ltd decided to farm out and not decommissioned from South Sudanese oilfields as the anticipated company whether Savannah Energy Ltd or another one will take over the liabilities and oilfields and continued with production.

### 4.3. Legal Violations of Petronas Farming Out and Decommissioning of Licensed Blocks in South Sudan

Figure 3: Petronas Legal Violations During Farming Out

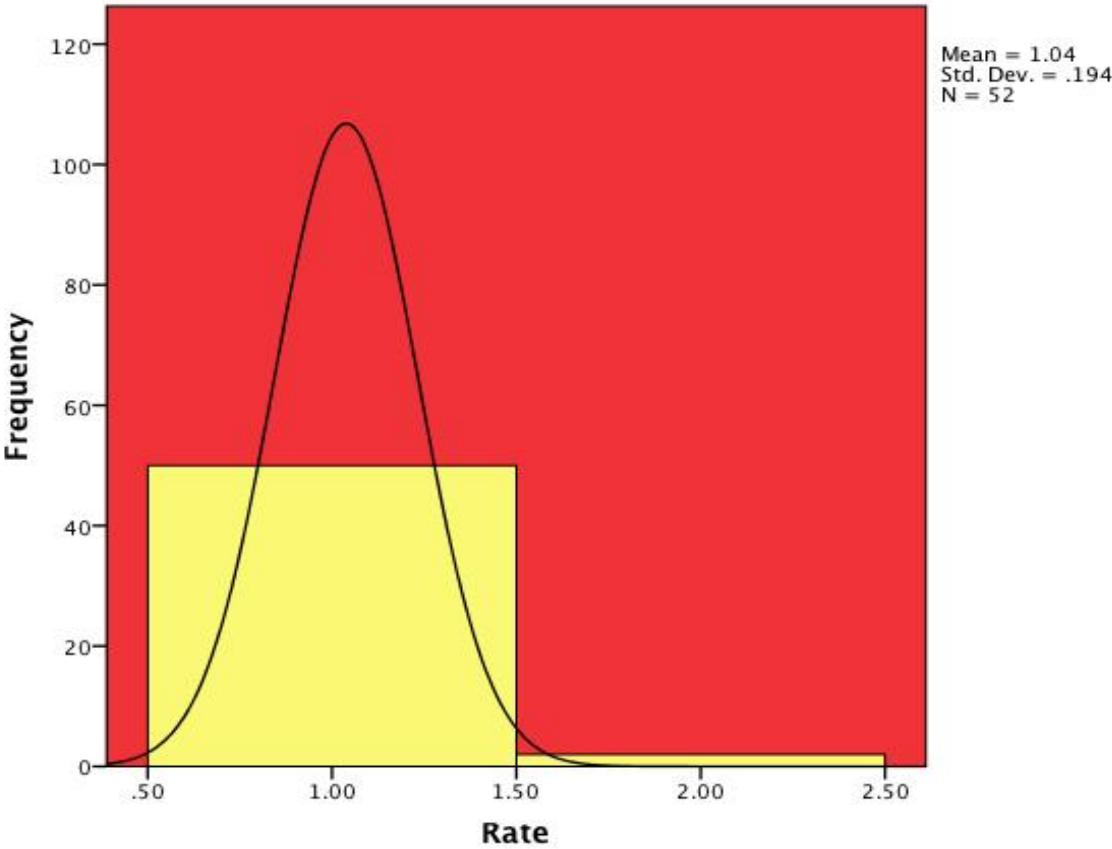


Figure 3 has presented the analysis of violations of South Sudanese laws by Petronas Carigali Nile Ltd. Asked whether Petronas Carigali Nile Ltd has violated any law during its farming out in South Sudan. 50 respondents argued that Petronas Carigali Nile Ltd has violated Petroleum Act 2012, particularly, section 41 that requires all the IOCs to establish decommissioning funds in tandem with the Ministry of Petroleum (MOP). No any decommissioning fund has been established so far and this is risky for South Sudan

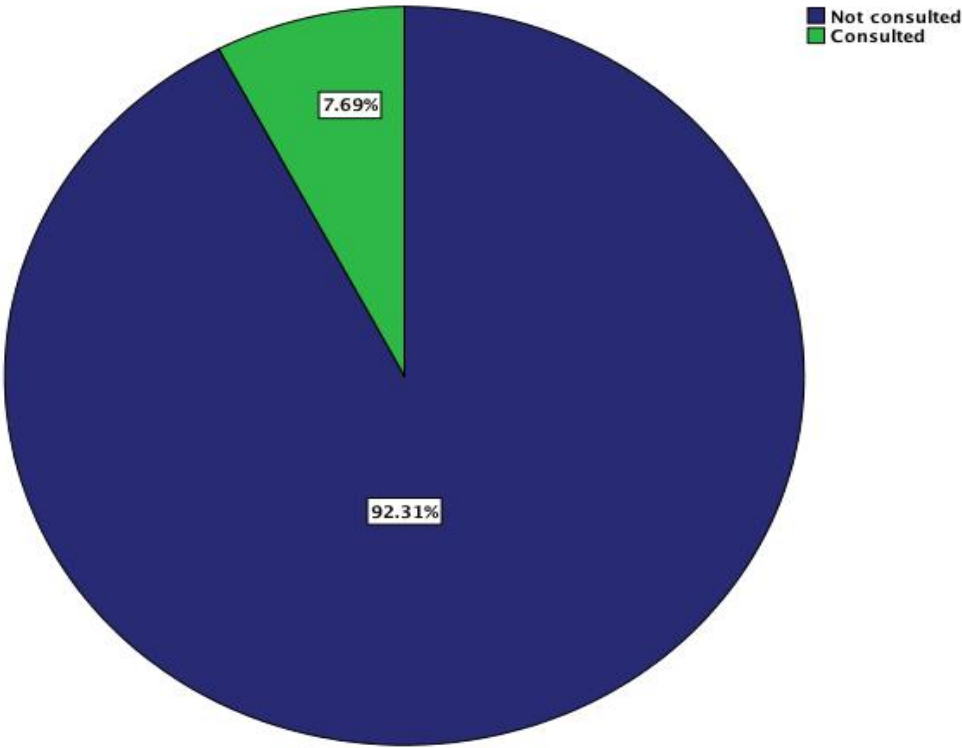
as the pollution and environmental damages are the order of the day in oilfields. Besides, Petronas Carigali Nile Ltd violated section 22 of assignment of contractor without consent from regulator. This was seen with the signing of shares purchase agreement (SPA) with Savannah Energy Ltd without consent of Ministry of Petroleum (MOP). Besides, the respondents further noted that section 23 of Petroleum Act, 2012 on pre-emption rights of national oil company (NOC)-Nile Petroleum Corporation to take over the shares of any International Oil Company (IOC) leaving South Sudan is ignored. This is due to secret agreement Petronas Carigali Nile inked with Savannah Energy to take over the shares. In addition, the respondents further noted that Petronas Carigali Nile violated Chapter VIII of Exploration and Production Sharing Agreement (EPSA) which gives the government, represented by the Ministry of Petroleum (MOP) and national oil company, represented by Nile Petroleum Corporation (NILEPET) right to take over the shares. K. I.1 notes:

*While the SPA was signed between Petronas Carigali Nile Ltd with an asset estimate of 1.25 billion United States dollars, this amount has not been broken down and this 1.25 billion USD could be a hoax. Why does Petronas Carigali Nile refuse to give the details of 1.25 billion USD to MOP and NILEPET so that NILEPET assumes its first right? This is a serious violation that requires legal redress from the government of South Sudan (K.I.1).*

From the mean of 1.04 and standard deviation of 0.194, the histogram has positively corresponded to the highest number of respondents who argued over Petronas Carigali Nile legal violations.

On the other hand, 2 respondents indicated that they have no idea of legal violations Petronas Carigali Nile has committed in South Sudan.

**Figure 4: Petronas Consultations with Ministry of Petroleum (MOP)**



Asked whether the Ministry of Petroleum (MOP), which is the regulator of oil and gas sector of South Sudan, was consulted during the farming out and decommissioning of Petronas Carigali Nile Ltd from South Sudan. In figure 4, 48 respondents, representing 92% said no, arguing that the Petronas did not formally consult MOP. These respondents argued that Petronas country office contacted Savannah Energy and stroke a deal of selling of its shares to Savannah Energy, a process that led to the birth of Shares Purchase Agreement (SPA) with asset cost 1.25 Billion USD. Petronas later informed the MOP about its decision. This notification according to many

respondents was done without prior consultation. It was like a report to MOP that Petronas Carigali Nile has sold its shares and the company to Savannah Energy. While MOP acknowledged such report, it probed on the breakdown of 1.25 Billion USD sale of Petronas shares/assets to Savannah Energy, which Petronas Carigali Nile has not revealed. K.I.2 reiterates:

*Ministry of Petroleum (MOP) was short-changed during the entire process of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudanese oilfields. While it has not fully completed the farming out procedures and the decommissioning, Petronas Carigali Nile Ltd has a lot to answer MOP when farming out and decommissioning are completed (K.I.2).*

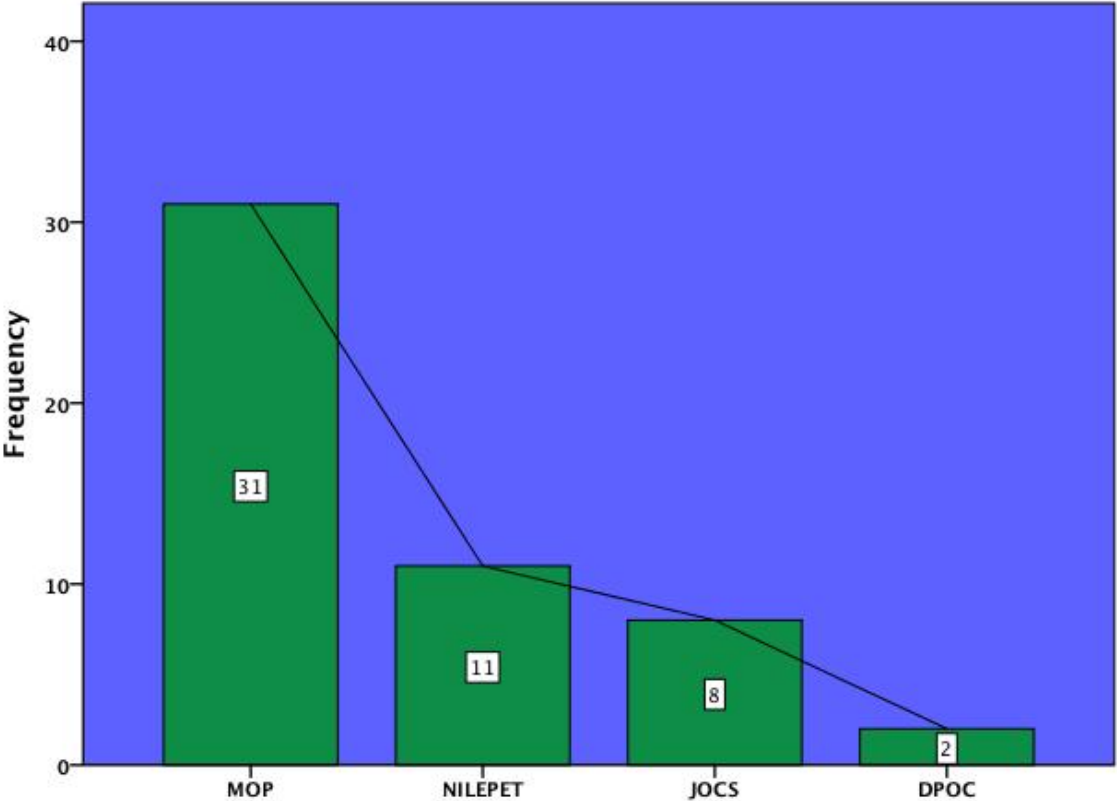
However, 4 respondents, representing 8% said yes, arguing that there is no way a foreign IOC will initiate a farming out and decommissioning steps without the regulator-MOP knowledge. This rarely happens in the world. These respondents further noted that MOP leaders maybe hiding something in regards to Petronas farming out and decommissioning from South Sudanese oilfields.

**Table 5: Petroleum Act, 2012 and Pre-emption Rights of NILEPET**

Categories	Frequency	Percent
Yes	51	98.1
Valid No	1	1.9
Total	52	100.0

Table 5 provides respondents with a view of the relationship between Petroleum Act, 2012 and Pre-emption Rights of Nile Petroleum Corporation (NILEPET). Asked whether Petroleum Act, 2012 gives pre-emption rights for the national oil company (NILEPET), 51 respondents largely noted yes, that section 23 of the Petroleum Act, 2012 gives this pre-emption rights to NILEPET, meaning that the national oil company needs to be asked and given first priority when a company needs to farm out and decommission from South Sudanese oilfields. It is only after the national oil company (NILEPET) confirmed that it is not interested in buying the shares being farmed out, then that is whereby the company farming out through MOP has to fetch for a company to buy its shares. Nonetheless, 1 respondent noted no, citing that it doesn't remember any pre-emption rights given to NILEPET by the Petroleum Act, 2012.

**Figure 5: Institution with Overall Legal Right to Stop Petronas Farming Out in South Sudanese Oilfields.**



Asked who amongst the above listed institutions has an overall legal right to challenge and stop Petronas Carigali Nile Ltd farming out from South Sudanese oilfields, figure 5 provides interesting findings and analyses from the respondents. 31 respondents out of 52 argued that it is the Ministry of Petroleum (MOP) that has a constitutional and regulatory right to cancel the farming out of Petronas Carigali Nile Ltd from South Sudanese oilfields. The powers, functions and responsibilities of the MOP are clearly stipulated in sections 12 and 22 of the Petroleum Act, 2012 assigning the Ministry of

Petroleum absolute regulatory powers and functions. Although the National Assembly of South Sudan has the final authority in determining matters of the state of South Sudan, the Ministry of Petroleum at the executive branch has its statutory role to grant as well as stop farming in and farming out of any contractor in South Sudanese oilfields. K.I.10 argues:

*It is the Ministry of Petroleum (MoP) that has the mandate of stopping farming out of shares of any company as well as granting of farming in of any company on matters of oil and gas in South Sudan. This is a regulatory matter that has been provided for in Petroleum Act, 2012 on functions and roles of the Ministry of Petroleum (K.I.10).*

On the other hand, 11 respondents argued that it is Nile Petroleum Corporation (NILEPET) that has a legal right to stop Petronas Carigali Nile Ltd farming out from South Sudanese. These respondents cited the pre-emption rights of NILEPET in section 23 that it must be given the first priority to farm in should a foreign contractor or IOC decides to farm out. The respondents further noted that NILEPET is a commercial and technical wing of the government of South Sudan as far as oil and gas matters are concerned.

Besides, 8 respondents argued that it is the JOCs, referring to Joint Operating Companies (JOCs) that should stop Petronas Carigali Nile Ltd from farming out from South Sudanese oilfields. The respondents cited that Petronas Carigali Nile Ltd has shares across the three JOCs in South Sudan namely: Sudd Petroleum Operating Company (SPOC) with 67.875%, Dar Petroleum Operating Company (DPOC), 40% and

Greater Pioneer Operating Company (GPOC) with 30%. Because of the strength of Petronas in its shareholding in the JOCs, those respondents argued that all JOCs can have their influence to stop Petronas from farming out.

What is more, 2 respondents argued that it's the Dar Petroleum Operating Company (DPOC) that should stop Petronas from farming out from South Sudanese oilfields. These respondents cited the influence of Dar Petroleum Operating Company (DPOC) as the operator of block 3 & 7 and which is the biggest producing block (licensed area) in South Sudan. Hence, with its partners in the block such as Chinese National Petroleum Company (CNPC), Oil and Natural Gas Corporation (ONGC), NILEPET, Tri-Ocean and Sinopec, DPOC can persuade Petronas to stop farming out from South Sudan. While Petronas Carigali Nile Ltd farming out was argued as a policy of the mother Petronas in Kuala Lumpur to pull out globally and concentrate on renewable energies, the policy has been founded to be short-sighted. For instance, while parading out this farming out policy, Petronas was seen farming in Angolan oilfields in December 2023. Hence, this therefore doesn't bring out the real intention of Petronas farming out in South Sudan.

**Table 6: Suitability of Savannah Energy to Farm into Petronas' Shares in South Sudan**

Categories	Frequency	Percent
No	42	80.8
Valid Yes	10	19.2
Total	52	100.0

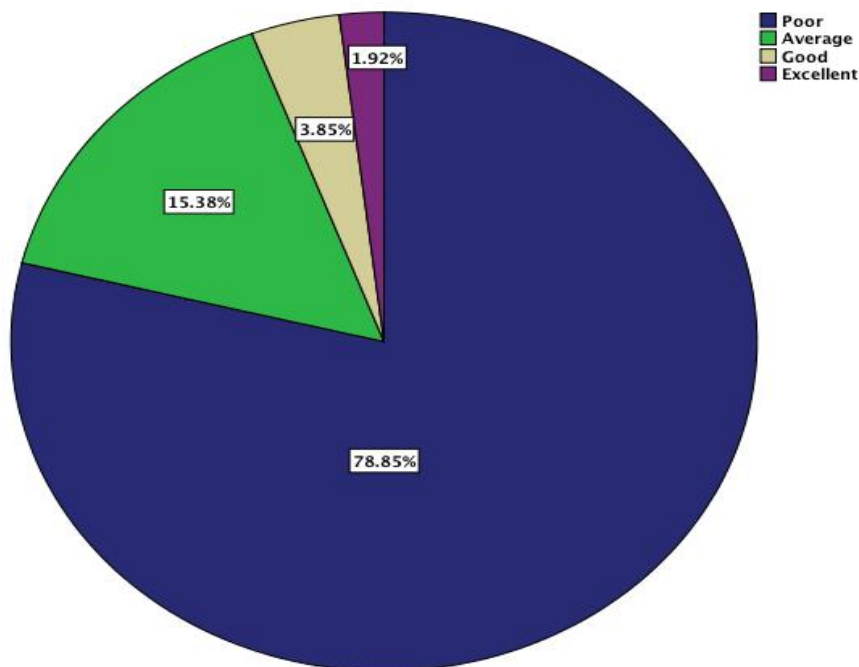
Asked about the suitability of Savannah Energy Ltd farm in to Petronas shares in South Sudan, table 6 provides interesting findings. 42 respondents, represented by 81% said, no, that Savannah Energy Ltd is not suitable company to take over the Petronas Carigali Ltd shares because of its several failures in acquisition of shares in Niger, Chad and Cameroon. These respondents further noted that when the Ministry of Petroleum team visited Nigeria to assess Savannah Energy African regional office, the team found out that Savannah lacks both technical and financial capabilities to farm in to Petronas Carigali Ltd Nile shares. Besides, when the Central Bank of South Sudan did its due diligence, the findings were that Savannah Energy Ltd has no financial strength to farm in to Petronas Shares in South Sudan. Interestingly, the due diligence team found that neither Savannah Energy Ltd has money in its accounts nor does it have any strategic assets at its disposals. K.I.9 reiterates:

*Savannah Energy company has been regionally and internationally tainted as a company with bad reputation. These reputation challenges*

*include integrity failures such as bribery and shoddy deals in Niger, Cameroon and Chad (K.I.9).*

What is more, 10 respondents, representing 19% said no, citing that Savannah Energy Ltd has footprints in Africa and being a Pan-African company, it can be given opportunity to acquire shares in South Sudan and farm in to Petronas shares. These respondents further noticed that Savannah Energy couldn't be judged now before acquisition of the shares. It should be judged later if its fails to pay 1.25 Billion USD as assets value as indicated by Petronas Carigali Nile Ltd.

**Figure 6: Grading of the Performance of Savannah Energy Limited in Niger, Chad and Cameroon.**



Asked how to grade the performance of Savannah Energy Ltd in Niger, Chad and Cameroon, 41 respondents represented by 79% summarily argued that Savannah Energy performed poorly in Niger, Chad and Cameroon due to their constant failures to implement their different contracts in acquisition of shares and licensed blocks in the three countries. These failures emanated from Savannah Energy unethical conduct in neither disclosing their financial capabilities nor adhere to the laid down guidelines in shares acquisition in Niger, Chad and Cameroon.

Besides, 8 respondents represented by 15% argued that Savannah Energy performed averagely in Niger, Chad and Cameroon due to the failure of governments of Niger, Chad and Cameroon in guiding Savannah Energy in what is required. K.I.5 reaffirms this as follows:

*Although the failure of Savannah Energy in Niger, Chad and Cameroon could be majorly blamed on Savannah Energy unethical conduct, a lot was to do with senior officials of the government of three countries (Niger, Chad and Cameroon). These government officials were adamant with bribery and other unethical conducts and Savannah Energy fell into such bad practices (K.I.5).*

In addition, 3 respondents representing 4% graded the performance of Savannah Energy in Niger, Chad and Cameroon as good, citing the footprints of Savannah Energy in UK and part of Africa as a reputable company. These respondents argued that the failure of Savannah Energy transaction in Niger, Chad and Cameroon was due to conduct of senior government officials in these three countries.

Finally, 1 respondent, representing 2 graded the performance of Savannah Energy as excellent citing the historical origin and establishment of Savannah Energy as a great oil and gas company in London with its headquarters in Nigeria. The respondent praised Savannah Energy as a reputable company, citing what happened in Niger, Chad and Cameroon against Savannah Energy as orchestrated by the officials in Niger, Chad and Cameroon.

**4.4. Types of Residual Liabilities**

**Table 7: Relevant Legal Model for Liabilities in South Sudan that is Suitable for Petronas Carigali Nile Farming Out.**

Categories	Frequency	Percent
Owner Centered Liability (UK Model)	39	75
Valid Mediated Liability (Norway Model)	10	19
State Centered Liability (US Model)	3	6
Total	52	100.0

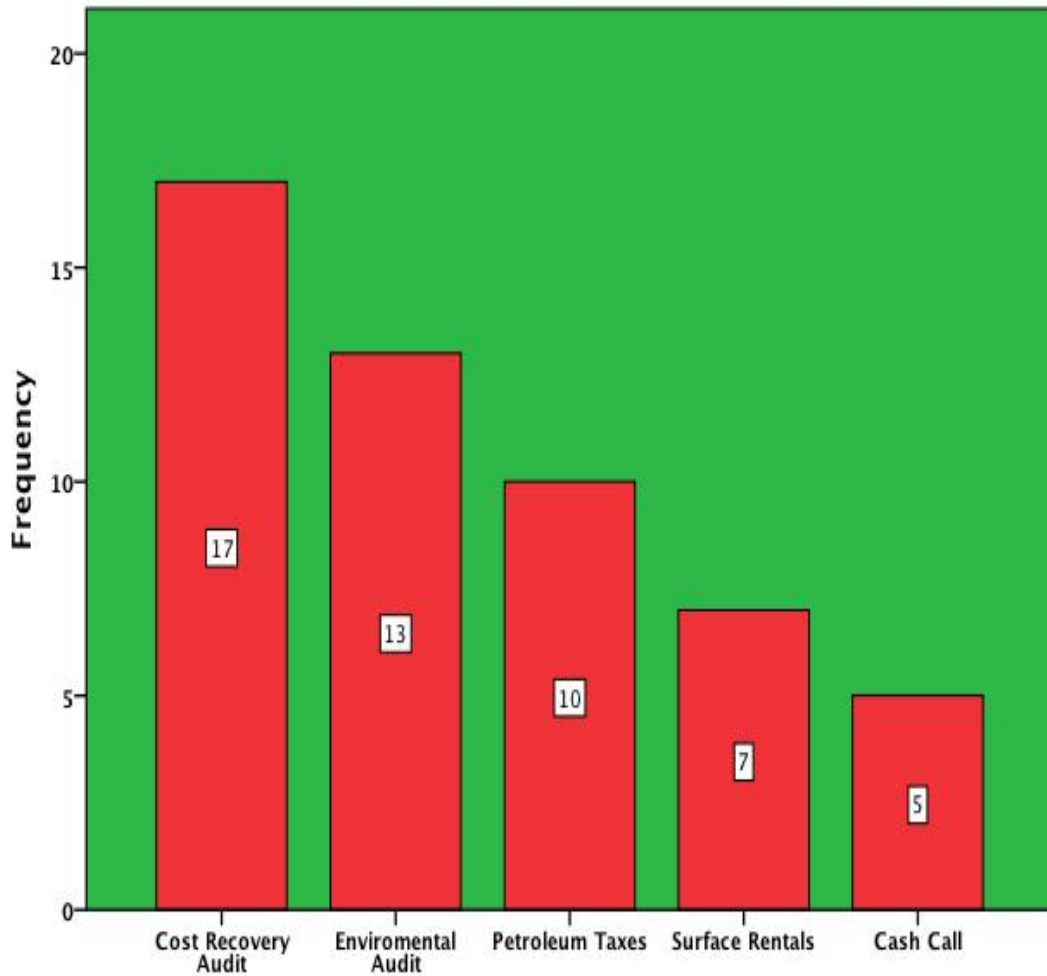
Asked about relevant legal approach in South Sudan that is suitable for Petronas Carigali Nile farming out, table 7 provides important analysis. 39 respondents represented by 75% argued that owner centered liability, which is a UK Model, should be a relevant legal approach that should be suitable for Petronas Carigali Nile farming out in South Sudan. The respondents cited that in this model, the responsibility of liabilities rested on the shoulders of the contractor. K.I.7 emphasizes:

*In this model, the contractor takes care of its liabilities. In other words, the entire responsibility of the liabilities are on the shoulder of the contractor and this removes the government from the equation of liabilities and blames. This approach often makes the contractor or an IOC aggressive in its management of its profit and cost oil so that losses are reduced. In this model, the government cannot stand in for the liabilities on behalf of the contractor. It is the contractor who is solely responsible for liabilities and this is the model for South Sudan (K.I.7).*

In addition, 10 respondents, represented by 19% argued that the suitable legal approach that should be adopted during Petronas Carigali Nile farming out in South Sudan is the mediated model, which is a Norway Model. This approach balances legal approach where the contractor should be responsible of its liabilities as well as the government takes charge of its liabilities too which are driven from cost oil. This legal approach, respondents further argued often reduces potential conflicts, suspicion and blame games between the contractor and the government.

Besides, 3 respondents, represented by 6% argued that the legal and suitable approach for Petronas Carigali Nile farming out is state centered approach, which is US Model. This approach according to the respondents give the responsibility of the liabilities to the state, meaning the contractor doesn't have anything to pay. This happens mostly under the concession regime type whereby the government gets royalties while the contractor takes over the crude production, market its and takes profits while giving royalties or taxes to the government.

Figure 7: Types of liabilities and their ranking during farming out and decommissioning



Asked to rank types of liabilities as above in the order of importance (with 5 being the highest and 1 being the lowest), figure 7 provides interesting findings. 17 respondents out of 52 ranked cost recovery audit as the most important liability in the context of farming out and decommissioning. The respondents noted that cost recovery audit is

paramount to tell the exact expenditures of the contractor/IOC during exploration and production phases. K.1.6 argues:

*Cost recovery audit is the most essential liability that both the contractor and the government pay maximum attention because of the manipulation that is often done either by the government or by the IOC. In many farming out or decommissioning activities, a cost that was earmarked for recovery is pinpointed as detailed in EPSA or in JOCSA and hence it is always prudent to prioritize the cost recovery amongst liabilities (K.1.6).*

Besides, 11 respondents out of 52 ranked environmental audit as the second most important liability and that must be borne in mind by the Petronas Carigali Nile when farming out and decommissioning from South Sudanese oilfields. The respondents cited reasons such as environmental pollution that IOCs have done in all the blocks in South Sudan. These blocks include 3 & 7, 1,2 & 4 and 5A. In all these blocks, Petronas Carigali Nile holds substantive equities and it must be environmental audited to ascertain level of environmental damages and compensation requires.

In addition, 10 respondents out of 52 ranked petroleum taxes as the third most important liability Petronas Carigali Nile must pay attention to. These respondents argued that Petronas Carigali Nile has often failed to remit its taxes to the government of South Sudan. It is estimated that Petronas Carigali Nile has an outstanding tax claims from the government to the tune of 3 million United States dollars.

What is more, 7 respondents out of 52 ranked surface rentals as the fourth most important liability Petronas Carigali Nile should pay attention to. Everywhere contractors are required to pay for fields’ rents, known best as surface rentals. For the all the blocks, Petronas Carigali Nile has a total of 1.5 million United States dollars as the surface rental liability to the government of South Sudan through the Ministry of Petroleum (MOP).

Finally, 5 respondents out of 52 ranked cash call as the fifth important liability to Petronas Carigali Nile. These respondents noted that Petronas Carigali Nile though it has honored to pay its cash call, there are still 2.5 million United States dollars part of cash call that is yet to be paid by Petronas and this has remained as liability.

**4.5. Responsibility of Residual Liabilities**

**Table 8: Responsible Actor for Liabilities During Petronas Carigali Nile Farm Out and Decommissioning from South Sudan.**

Categories	Frequency	Percent
The Company that farms-in Petronas Carigali Nile	33	63.5
Valid Ministry of Petroleum	10	19.2
Nile Petroleum Corporation (NILEPET)	9	17.3
Total	52	100.0

Asked about who should be responsible actor for residual liabilities should Petronas Carigali Nile farms out and possible decommissions from South Sudan. 21 respondents,

representing 64% argues that the company that is farming in to Petronas Carigali Nile shares should be responsible for liabilities that squarely fall on Petronas Carigali Nile while operating in South Sudan. The government should handle any other liabilities that squarely fall on itself. This is inline with section 46 of Petroleum Act, 2012 that stipulates the responsibility of liabilities to the contractor. This also extends to the government should it has any liabilities too. K.I.8 emphasizes:

*The responsible actor for liabilities should first be the company that is farming in. This is because a company that is farming out transfers its shares to the company that is farming in which is indicated in the contract. This company takes both the profits (dividends) and losses (liabilities) and hence the responsibility of liabilities should squarely lies on the farming in company and the government if it has accumulated liabilities too (K.I.8).*

Besides, 10 respondents, representing 19% argues that the Ministry of Petroleum should be responsible for liabilities. The respondents cited that the role of the Ministry as a regulator which is endowed with the power of issuance of a license for farming in and farming out of contractor as well as revoking of such license. Thus, the Ministry of Petroleum can shoulder and be responsible for liabilities.

Finally, 9 respondents, representing 17% argues that Nile Petroleum Corporation (NILEPET) should be responsible for liabilities given that it is a commercial and technical wing of the government. Because it represents government interest, the

respondents articulate that NILEPET is well placed to shoulder the liabilities when Petronas Carigali Nile Ltd farms out.

## CHAPTER FIVE

### DISCUSSIONS OF FINDINGS

#### 5.1. Introduction

The chapter provides a summary and a reflection of what has been discussed in the entire research study in relations to research findings. This chapter provides summary of the findings of the research pivoted to the deliberations, quandaries and gimmicks surrounding decommissioning from licensed blocks: investigating the legal conformity of Petronas Carigali Nile ltd farming out and decommissioning from South Sudanese oilfields. The chapter then discusses the dissertation findings based on each research objective/question; draw the connotes from the major variables proven from the empirical literature review and fieldwork interviews

#### 5.2. Overview of the Findings

The dissertation sets out to answer the overall research purpose, research objectives and research questions through the period of the study. The purpose of the study is to investigate legal conformity of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudan oilfields. Research objectives that were turned into research questions include understanding the concept of decommissioning in oil and gas industry, assessing the legal violations of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudanese oilfields, determining the types of residual liabilities and appraising the responsibility of residual liabilities. The study tested the research objectives/questions in the empirical literature review. Both dependent and independent variables have been showcased. Dependent variable

remains as decommissioning from licensed blocks and independent variables include conceptualizing decommissioning, legal violations, types of residual liabilities and responsibility over the residual liabilities. The study deployed a conceptual framework adopted from Shero, 2020.

### **5.2.1. The origin and meaning of decommissioning**

The origin and meaning of decommissioning was discussed. Majority of the respondents agreed on the origin of decommissioning and cited the first discussions over decommissioning in the United States to be around 1922. Apart from the United States, some respondents argued that the idea of decommissioning originated and became clearer in 1988 during Piper Alpha incident that became the largest explosions in North Sea with around 160 people killed. Besides, the respondents further noted that after Piper Alpha then came Brent Spar incident of 1995 that draw attention to the issue of decommissioning of outdated North Sea oil and gas installations. However, a few respondents argued that there were not aware about the origin of decommissioning and cited that it is a concept like other concepts in oil and gas industry that morphed in to the usage and applications. Indeed, few respondents argued that they had no idea on the origin of the concept of decommissioning citing lack of adequate literature in understanding the etymology of decommissioning.

On the other hand, when asked about the meaning of decommissioning, majority of respondents refer decommissioning to partial or total removal of installations in the oilfields. These respondents argue decommissioning could not be completed without either partial or total removal of the installations in the oilfields. These installations

could refer to movable and immovable facilities. While this question tested the respondents' level of awareness about definition of decommissioning, majority of respondents gave a response that resonates with literature review that decommissioning is partial or total removal of installations from the oilfields.

#### **5.2.1.1. Farming out and decommissioning**

Asked whether farming out is the same with decommissioning, majority of respondents noted that farming out is not the same as decommissioning. These respondents cited that farming out is purely business and transactional referring to selling or withdrawal of shares from a consortium for purpose to terminating exploration production sharing agreement. On the other hand, decommissioning is adequately geared toward environment and safety and it is done cleaning the oilfields when the contractor leaves. A contractor can leave the oilfield without farming out and the reasons could be issues to do with environmental degradation or pollution and the regulations require that a contractor should decommission when leaving that particular block or field has come to an end and this is clearly stipulated in the regulations of given country. Thus, farming out is not the same as decommissioning because decommissioning is environmental and safety and farming out is commercial and transactional of selling the shares. However, Petronas Carigali Nile Ltd decided to farm out and not decommission from South Sudanese oilfields as the anticipated company whether Savannah Energy Ltd or another one will take over the liabilities and oilfields and continued with production.

### **5.2.2. Legal violations of Petronas Carigali Nile Ltd farming out and decommissioning from South Sudan oilfields**

Various legal violations of Petronas Carigali Nile Ltd were discussed in tandem to farming out and decommissioning from South Sudanese oilfields. Asked whether Petronas Carigali Nile Ltd has violated any law during its farming out in South Sudan or not. Majority of respondents argued that Petronas Carigali Nile has violated Petroleum Act 2012, particularly, section 41 that requires all the IOCs to establish decommissioning funds in tandem with the Ministry of Petroleum (MOP). No any decommissioning fund has been established so far and this is risky for South Sudan as the pollution and environmental damages have become the order of the day in the oilfields. Besides, Petronas Carigali Nile Ltd violated section 22 of assignment of contractor without consent from the regulator. This was seen with signing of shares purchase agreement (SPA) with Savannah Energy without the consent of the Ministry of Petroleum. Besides, the respondents further noted that section 23 on pre-emption rights of national oil company (NOC)-Nile Petroleum Corporation to take over the shares of any International Oil Company (IOC) leaving South Sudan, was ignored. This is due to secret agreement Petronas Carigali Nile inked with Savannah Energy to take over the shares. In addition, the respondents further noted that Petronas Carigali Nile violated Chapter VIII of Exploration and Production Sharing Agreement (EPSA) which gives the government, represented by the Ministry of Petroleum (MOP) and national oil company, represented by Nile Petroleum Corporation (NILEPET).

### **5.2.2.1. Petronas consultations with Ministry of Petroleum (MOP)**

Consultations of Petronas with Ministry of Petroleum was queried. Asked whether the Ministry of Petroleum (MOP), which is the regulator of oil and gas sector of South Sudan, was consulted during the farming out and decommissioning of Petronas Carigali Nile from South Sudan, majority of respondents pointed out that the country officials of Petronas Carigali Nile did not formally consult the Ministry of Petroleum. These respondents argued that Petronas country office contacted Savannah Energy and stroke a deal of selling of its shares to Savannah Energy, a process that led to the birth of Shares Purchase Agreement (SPA) with asset cost 1.25 Billion USD. Petronas later informed the MOP about its decision. This notification according to many respondents was done without prior consultation. It was like a report to MOP that Petronas Carigali Nile has sold its shares and the company to Savannah Energy Ltd. While MOP acknowledged such report, it probed on the breakdown of 1.25 Billion USD sale of Petronas shares/assets to Savannah Energy, which Petronas Carigali Nile has not revealed so far.

### **5.2.2.2. Institution with overall legal right to stop Petronas farming out from South Sudanese oilfields.**

The most important institution which has an overall legal right to challenge and stop Petronas farming out in South Sudanese oilfields was queried and findings were thoroughly discussed. Majority of respondents argued that it is the Ministry of Petroleum (MOP) that has a constitutional and regulatory right to cancel the farming out of Petronas Carigali Nile Ltd from South Sudanese oilfields. The powers, functions and responsibilities of the MOP are clearly stipulated in sections 12 and 22 of the

Petroleum Act, 2012 assigning the Ministry of Petroleum absolute regulatory powers and functions. Although the National Assembly of South Sudan has the final authority in determining matters of the state of South Sudan, the Ministry of Petroleum as the executive branch has its statutory role to grant as well as stop farming in and farming out of any contractor in South Sudanese oilfields.

On the other hand, a few respondents argued that Nile Petroleum Corporation (NILEPET) has a legal right to stop Petronas farming out in South Sudanese. These respondents cited the pre-emption rights of NILEPET in section 23 that it must be given the first priority to farm in should a foreign contractor or IOC decides to farm out. The respondents further noted that NILEPET is a commercial and technical wing of the government of South Sudan as far as oil and gas matters are concerned.

Besides, few respondents argued that it is the JOCs, referring to Joint Operating Companies (JOCs) that should stop Petronas Carigali Nile Ltd from farming out from South Sudanese oilfields. The respondents cited that Petronas Carigali Nile Ltd has shares across the three JOCs in South Sudan namely: Sudd Petroleum Operating Company (SPOC) with 67.875%, Dar Petroleum Operating Company (DPOC), 40% and Greater Pioneer Operating Company (GPOC) with 30%. Because of the strength of Petronas in its shareholding in the JOCs, those respondents argued that all JOCs can use their influence to stop Petronas from farming out.

What is more, other few respondents argued that it's the Dar Petroleum Operating Company (DPOC) should stop Petronas Carigali Nile from farming out from South Sudanese oilfields. These respondents cited the influence of Dar Petroleum Operating

Company (DPOC) as the operator of block 3 & 7 and which is the biggest producing block (licensed area) in South Sudan. Hence, with its partners in the block such as Chinese National Petroleum Company (CNPC), Oil and Natural Gas Corporation (ONGC), NILEPET, Tri-Ocean and Sinopec, DPOC can persuade Petronas to stop farming out from South Sudan. While Petronas Carigali Nile Ltd farming out was argued as a policy of the mother Petronas in Kuala Lumpur to pull out globally and concentrate on renewable energies, the policy has been founded to be shortsighted. For instance, while parading out this farming out policy, Petronas was seen farming into Angolan oilfields in December 2023. Hence, this therefore doesn't bring out the real intention of Petronas farming out in South Sudan.

#### **5.2.2.3. Suitability of Savannah Energy to farm into Petronas' shares in South Sudan**

The suitability of Savannah Energy which Petronas Carigali Nile secretly chose to farm in was exhaustively discussed. Queried about the suitability of Savannah Energy to farm into Petronas shares in South Sudan, majority of respondents noted that Savannah Energy Ltd is not suitable company to take over the Petronas Carigali Ltd shares because of its several failures in acquisition of shares in Niger, Chad and Cameroon. These respondents further noted that when the Ministry of Petroleum team visited Nigeria to assess Savannah Energy African regional office, the team found out that Savannah lacks both technical and financial capabilities to farm into Petronas Carigali Ltd Nile shares. Besides, when the Central Bank of South Sudan did its due diligence, the findings were that Savannah Energy has no financial strength to farm into Petronas Shares in South Sudan. Interestingly, the due diligence team found

out that neither Savannah Energy has money in its accounts nor does it have any strategic assets at its disposal at head office as well regional offices.

### **5.2.3. Types of Residual Liabilities**

Before discussing various types of residual liabilities, respondents were asked to choose amongst the three models of liabilities legal frameworks and situate them in South Sudan there. Majority of respondents argued that South Sudan fall under UK model which is known as owner-centered liability model, in which the contractor shoulder the liabilities squarely. Other respondents argued South Sudan to be under Norway model which is called mediated liability approach that places the liabilities on the shoulder of the government and the contractor depending on what each commits during the time of exploration and production of crude oil. Classifications of liabilities is very cardinal in the farming in and farming out to avoid legal tussle. While a good number of respondents argued the model of liabilities in South Sudan, the UK model has been reflected in the Petroleum Act, 2012.

There are five types of liabilities such as cost recovery audit, environmental audit, petroleum taxes, surface rentals and cash call. Cost recovery audit was highly ranked as it is one of the most obvious liabilities which is clearly spelt in EPSA and JOCSA. This is followed by environmental audit, petroleum taxes, surface rentals and cash calls.

#### **5.2.4. Responsibility of Residual Liabilities**

The responsibility of residual liabilities was adequately discussed. While other petroleum institutions maybe having rights to claim the shares of Petronas and take over the responsibility of residual liabilities, the finding deeply revealed that it is the company that farms in that has the responsibility of residual liabilities in-term of payment of compensation to whoever claim any payment. Although the company that farms in and takes over the responsibility of settling the liabilities and in this case Petronas Carigali Nile Ltd has a solid obligation to settle the liabilities, the government of South Sudan too has an obligation to settle liabilities it has accumulated for many years and particularly, cash call and borrowings. It was thoroughly discussed that Petronas Carigali Nile Ltd owes government of South Sudan about 1.6 million USD for cost recovery, 1.4 billion USD as a liability for environmental audit, cash call liability of 2.5 million USD, surface rental fee of 5.5 million USD and petroleum taxes of 6.7 million USD.

## CHAPTER SIX

### CONCLUSIONS AND RECOMMENDATIONS

#### 6.1. Introduction

This chapter provides conclusions and recommendations. Conclusions depicts “so what” about the research, various opinions, author’s experience and feelings about decommissioning and farming out of Petronas Carigali Nile in South Sudan. The recommendations gives “what next” for the research and how various stakeholders and affected groups shall use the research for future endeavour.

#### 6.2. Conclusions

The study has made a strong argument about the decommissioning and farming out of Petronas Carigali Nile Ltd in South Sudan. Decommissioning is the last leg of the upstream segment of oil and gas industry and indeed, upstream segment is the core business of any oil and gas company. Achieving decommissioning should be in two ways; farming out of the company after having fulfilled decommissioning requirements or total relinquishing of the fields by terminating the license. While the study investigated the legal conformity of Petronas Carigali Nile Ltd farming out process in the context of Petroleum Act, 2012, EPSAs for 2012, JOCSAs for various consortia such as DPOC, SPOC and GPOC, the study problematised this farming out and associated decommissioning on legal violations of Petroleum Act, section 12, 22, 23, 41 & 42, EPSAs and JOCSAs, types of liabilities and the responsibility of these liabilities. While the problem was expanded into research objectives and questions, the research objectives and questions were further subjected and tested through

rigorous review of the empirical literature and the gaps of knowledge were filled through fieldwork. 52 questionnaires were successfully distributed and filled in Juba having been divided into 12 to the Ministry of Petroleum Senior Staff, 10 for Nile Petroleum Corporation (NILEPET) Senior Staff, 10 for Dar Petroleum Operating Company (DPOC), 10 for Sudd Petroleum Operating Company (SPOC) and 10 for Greater Pioneer Operating Company (GPOC). Then, 10 effective interviews were done to Key Informants (KI) who have ground-breaking knowledge in oil and gas industry, particularly, decommissioning and farming out of Petronas Carigali Nile Ltd in all the blocks (licensed areas) in South Sudan. While key and interesting findings were registered for this study, it was categorical noted that Petronas Carigali Nile Ltd has committed serious legal violations to the oil and gas laws and regulations in South Sudan while the Ministry of Petroleum (MOP) who should be the overall supervisor and regulator just looked on.

Some of the legal violations by Petronas include Petroleum Act, 2012, section 41 that requires the IOC to establish decommissioning fund immediately its commences the production in the licensed area (oilfield). This has not been done by Petronas Carigali Nile Ltd. Furthermore, section 42 of Petroleum Act, 2012 on plugging and abandonment of wells stipulates that the contractor shall submit to the Ministry of Petroleum immediate notice of any decision to abandon a well. Petronas Carigali Nile Ltd did not submit any notice of any decision to abandon a well or field to the MOP. This has surfaced as a serious violation of the Petroleum Act, 2012 and the subsequent regulations. Once the abandonment cum decommissioning is done wrongly, it effects the environment severely. While contractors are always in loggerhead with the

regulators on the abandonment, the regulators themselves have never been quick and responsive in addressing the mistakes of the contractors or the licensees. More still Petronas Carigali Nile Ltd violated section 22 of the Petroleum Act, 2012 that stipulates that any contractor that needs to abandon or farm out from its licensed area/block must inform the Ministry of Petroleum (MOP) in writing. This is the same with violations of section 23 of the Petroleum Act, 2012 that gives the preemption rights of the Nile Petroleum Corporation (NILEPET) on any farming opportunities when an IOC farm outs. Instead of informing NILEPET which is a shareholder with Petronas in all the consortia, Petronas Carigali Nile Ltd secretly approached Savannah Energy Ltd and signed Shares Purchase Agreement (SPA).

While the study was tedious with acquisition of necessary information from senior government officials in oil and gas industry in Juba, South Sudan, the study did not face any physical or methodological constraints. Interesting, the Petronas Carigali Nile Ltd deliberately violated the petroleum laws and regulations of South Sudan while the Ministry of Petroleum (MOP) just gazed. Matters of conflict of interests with most senior officials at the Ministry of Petroleum (MOP) have been hinted by many respondents from Joint Operating Companies (JOCs) such as NILEPET, DPOC, SPOC and GOPC. While the government is yet to settle the complete farming out of Petronas Carigali Nile in South Sudan and farming in of Savannah Energy or any other company of choice to the government of South Sudan, this study is an eye-opener on how influential the IOCs are today in the world and particularly, on regulatory captured situation. Hence, the study has confidently discussed the concept of decommissioning as well as farming out, legal violations of Petronas Carigali Nile Ltd, types of liabilities

associated with Petronas Carigali Nile Ltd and responsible company to shoulder these liabilities in the Republic of South Sudan.

### **6.3. Recommendations**

Based on the robust conclusions of the study as indicated above, the dissertation makes the following key recommendations:

#### **6.3.1. Government of South Sudan**

1. That the government of South Sudan, particularly, the Cabinet known as Council of Ministers (CoMs) should interrogate the Minister of Petroleum and its senior staff over legal violations of Petronas Carigali Nile Ltd during its farming out;
2. That the National Assembly known as Revitalized Transitional National Legislative Assembly (R-TNLA) should summon the Minister of Petroleum and its senior staff to answer questions regarding the legal violations of Petronas Carigali Nile Ltd as it pursues its farming out;
3. That the Government of South Sudan, particularly, Presidency should weigh in to this Petronas Carigali Nile decommissioning and farming out matter and reprimand the Minister of Petroleum and chart a way forward;

#### **6.3.2. Ministry of Petroleum (MOP)**

4. That Ministry of Petroleum should review and assert itself as a statutory regulator of the entire oil and gas industry of South Sudan and should play this regulatory function effectively;

5. That the Ministry of Petroleum should ensure that IOCs establish decommissioning funds immediately they are awarded with production license and they should be monitored closely;
6. That the Ministry of Petroleum should ask Petronas Carigali Nile Ltd as a matter of integrity to break down 1.25 Billion USD assets (shares) it is selling to Savannah Energy Ltd;
7. That senior staff at the Ministry of Petroleum should go over their perceived conflict of interests on the matters of decommissioning and farming out of Petronas Carigali Nile Ltd in South Sudan;
8. That Savannah Energy Ltd has been comprehensively reviewed and found as unworthy company with a reputation challenges to farm into Petronas Carigali Nile Ltd shares in South Sudan;
9. That the Ministry of Petroleum should support its national oil company (NILEPET) in its quest to farm in to Petronas Carigali Nile Ltd shares;

### **6.3.3. Nile Petroleum Corporation (NILEPET)**

10. That NILEPET should claim its legal preemption rights as stipulates in section 23 of Petroleum Act, 2012 to farm in to Petronas Carigali Nile Ltd shares;
11. That NILEPET should work out sound and practical proposals, both technical and commercial of taking over Petronas Carigali Nile Ltd assets (shares) as soon as possible; and

#### **6.3.4. Coalition of Civil Societies on Natural Resources**

12. That the coalition of civil societies on natural resources should constantly voice out citizens' concerns on the violation of petroleum laws, regulations and procedures on the matters of petroleum resources management in south Sudan, particularly, on the decommissioning and farming out of Petronas Carigali Nile Ltd.

#### **6.3.5. Recommendation for Future Studies**

Since this is a new area of scholarship, which I do not profoundly claim to have monopoly over it, future research is hereby recommended to other researchers or scholars in oil and gas industry in order to further examine the reason behind the IOCS influence in violating the petroleum laws, regulations, policies, procedures and systems, particularly, on decommissioning, farming out and farming in on the context of Petronas Carigali Nile Ltd of South Sudan.

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## 8. Appendix: Research Instruments

### 8.1. Questionnaire

#### Research Questionnaire

##### Introduction

Hello! My name is **Jacob Dut Chol Riak**, a student of Uganda Christian University (UCU), Faculty of Law, the Institute of Petroleum Studies-Kampala pursuing LLM in Oil and Gas. I am carrying out a Research entitled “**Decommissioning from Licensed Blocks: Investigating the Legal Conformity of Petronas Carigali Nile Limited Farming out and Decommissioning from South Sudanese Oilfields**”, as full requirement of award of LLM in Oil and Gas. I am humbly requesting you to take your time and answer **All the Questions** herein with honesty and sincerely. Having you as a respondent in this research is vital and mostly appreciated and your response will be treated with utmost confidentiality. This is an advanced Study and the Researcher shall greatly applaud your critical response to every question.

##### Part A: Origin and Meaning of Decommissioning

Please tick (*✓*) the appropriate box where there are alternative answers and answer the question that follows if provided.

1. Do you know the origin of the word decommissioning? Yes ( )  
No ( )
2. If Yes, where and when? \_\_\_\_\_ If No, proceed to  
**Question 3.**
3. Which of the following explain the meaning of decommissioning?
  - a) Installation of the rigs in the oilfield ( )
  - b) Partial or total removal of installations and restoration of oilfield after using it for production ( )
  - c) Increasing production of crude oil ( )
  - d) Halting the production of crude oil ( )

4. Is farming out the same with decommissioning? **Yes** ( ) **No** ( ). Please explain your answer:

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5. Which of the following comes first?

- a) Decommissioning ( )
- b) Farming out ( )

Give reason (s) for any of your choice above:

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6. Do you know any types of decommissioning? Please list and explain them below:

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**PART B: Legal Violations of Petronas Farming Out and Decommissioning of Licensed Blocks in South Sudan**

Please tick (✓) one box wherever applicable and explain where necessary.

7. Do you think Petronas Carigali Nile Limited has violated any law during its farming out in South Sudan? **Yes** ( ) **No** ( )

8. If yes, what laws has its violated?

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9. Was Ministry of Petroleum consulted during Petronas farming out? **Yes** ( ) **No** ( )

If yes or no, please explain:

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10. Does the Petroleum Act, 2012 gives pre-emption rights to National Oil Company-Nile Petroleum Corporation (NILEPET)? Please explain:

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11. Who amongst the following institution has a legal right to stop Petronas farming out in South Sudanese oilfields?

- a) Ministry of Petroleum (MoP)
- b) Nile Petroleum Corporation (NILEPET)
- c) Joint Operating Companies (JOCs)
- d) Dar Petroleum Operating Company (DPOC)

12. Is Savannah Energy Ltd the suitable company to farm in to shares of Petronas Carigali Nile Ltd in South Sudan? Yes ( ) No ( ).

Please give reasons for your answer:

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13. How do you grade the performance of Savannah Energy Limited in Niger, Chad and Cameroon?

- a) Excellent ( )
- b) Good ( )
- c) Average
- d) Poor

Give reasons for your choice:

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### **PART C: Legal Approaches and Types of Residual Liabilities**

Please tick (✓) the appropriate box where there are alternative answers and answer the question that follows if provided.

14. Which of the following legal approaches is relevant to South Sudan oil and gas industry and suitable for handling Petronas Carigali Nile Ltd farming out?

- a) State Centered Liability (US Model)
- b) Owner Centered Liability (UK Model)
- c) Mediated Liability (Norway Model)
- d) All of the Above

Give reasons for your answer:

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15. Rank the following types of liabilities in order of importance during farming out and decommissioning (*5 being the highest and 1 being the lowest*)

- a) Cost Recovery Audit ( )
- b) Environmental Audit ( )
- c) Petroleum Taxes ( )
- d) Surface Rentals ( )
- e) Cash Call ( )

**PART D: Responsibility of Residual Liabilities**

16. Who should be responsible for liabilities should Petronas Carigali Nile Ltd farm out and decommission from South Sudanese oilfields?

- a) Ministry of Petroleum (MoP) ( )
- b) Nile Petroleum Corporation (NILEPET) ( )
- c) Petronas Carigali Nile Ltd or company that farms in ( )
- d) Dar Petroleum Operating Company (DPOC) ( )

**Thank you very much for your cooperation. You are done!!**

**For any inquiry or further clarification, please contact +211913013886**

**(WhatsApp) or email [dutsenior@yahoo.com](mailto:dutsenior@yahoo.com)**

## 8.2. Interview Guide

### Research Interview Guide/Schedule

For Ministry of Petroleum (MOP), Nile Petroleum Corporation (NILEPET), Dar Petroleum Operating Company (DPOC), Sudd Petroleum Operating Company (SPOC) and Greater Pioneer Operating Company (GPOC).

1. Do you know the origin and meaning of decommissioning in oil and gas industry?
2. What types of decommissioning are there?
3. Is farming out the same with decommissioning?
4. What legal violations has Petronas Carigali Nile Limited committed during its farming out from South Sudanese oilfields?
5. Was Ministry of Petroleum (MoP) consulted during Petronas farming out?
6. Does the Petroleum Act, 2012 gives any pre-emption rights to National Oil Company-Nile Petroleum Corporation (NILEPET)?
7. Is Savannah Energy Ltd the suitable company to farm in to shares of Petronas Carigali Nile Ltd in South Sudan?
8. Do you know any legal approaches to residual liabilities?
9. What types of residual liabilities do you know?
10. Who should be responsible to pay for Petronas liabilities should it farm out and decommission from South Sudanese oilfields?

**Thank you very much for your attention!**

### 8.3. Research Site Map

Map of Juba City



*Source: Voice of America (VOA)*

## 8.4. Permissions for Fieldwork

### 8.4.1. Letter from Institute for Petroleum Studies (IPSK)



Institute of Petroleum  
Studies - Kampala

December 11<sup>th</sup>, 2023

TO WHOM IT MAY CONCERN

Dear Sir/Madam

**INTRODUCTION FOR MR. JACOB DUT CHOL RIAK TO CONDUCT RESEARCH IN YOUR ORGANISATION**

Greetings in the precious name of our Lord.

I wish to introduce to you the above named person, who is a student pursuing a Masters of Laws in Oil and Gas program, of Uganda Christian University in affiliation with the Institute of Petroleum Studies Kampala (IPSK)

He is currently undertaking research and is in the process of collecting data. Mr. Jacob Dut would wish to conduct research in your organization.

The title of his research is " **Decommissioning from Licensed Blocks: Investigating the Legal Conformity of Petronas Carigali Nile Limited Farming out and Decommissioning from South Sudanese Oilfields**"

By copy of this letter, all respondents are notified that this study is for academic purposes and as an Institution, we request you to cooperate in facilitating this very interesting research project.

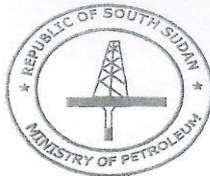
Sincerely,

Catherine Babalanda  
REGISTRAR



Plot 6207 Rose Lane, Off tankhill road Muyenga Kampala - Uganda  
Tel: 0393255448 Email: [info@ipsk.ac.ug](mailto:info@ipsk.ac.ug) Website: [www.ipsk.ac.ug](http://www.ipsk.ac.ug)

## 8.4.2. Letter from Ministry of Petroleum to DPOC



Republic of South Sudan  
Ministry of Petroleum  
South Sudan Petroleum Authority  
DIRECTOR GENERAL'S OFFICE



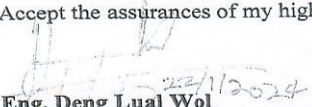
Date: 22<sup>nd</sup> January, 2024  
Ref: RSS/MoP/J/PA/26/1/2024/22-01/0001  
To: Mr. Tong Xinmiao  
President;  
Dar Petroleum Operating Company  
Cc: Mr. Ayoung Bol Deng  
Vice President;  
Dar Petroleum Operating Company  
Subject: DATA COLLECTION FOR ACADEMIC PURPOSES

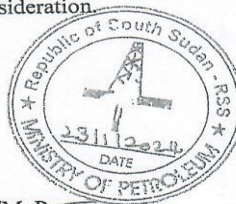
Dear President,

Reference is made to the above-mentioned subject; the Ministry of Petroleum has always been encouraging learning, research and education in general and in particular value education in the Republic of South Sudan, with that in mind Mr. Jacob Dut Chol is currently conducting a research in the field of Oil and Gas titled Decommissioning from Licensed Blocks: Investigating the Legal Conformity of PETRONAS Carigall Nile Limited Farming out and Decommissioning from South Sudanese Oilfields.

In that regard MoP is hereby requesting DPOC to allow him to collect data in line with his research subject for academic purpose only.

Accept the assurances of my highest regards and consideration.

  
22/1/2024  
Eng. Deng Lual Wol  
Director General for Petroleum Authority  
Ministry of Petroleum

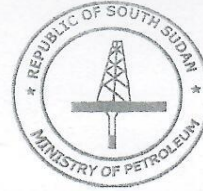


Cc: Hon. Puot Kang Chol, Minister of Petroleum  
Hon. Dr. William Anyak Deng, Undersecretary/MoP  
Mr. Stephen Lemi William. Ag/Director for Refineries/MoP  
File

### 8.4.3. Letter from Ministry of Petroleum to GPOC



Republic of South Sudan  
Ministry of Petroleum  
South Sudan Petroleum Authority  
DIRECTOR GENERAL'S OFFICE



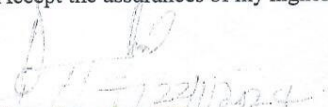
Date: 22<sup>nd</sup> January, 2024  
Ref: RSS/MoP/J/PA/26/3/2024/22-01/0003  
To: Mr. Guo Xinwen  
President,  
Greater Pioneer Operating Company (GPOC)  
Cc: Mr. Beny Ngor  
Vice President,  
Greater Pioneer Operating Company (GPOC)  
Subject: DATA COLLECTION FOR ACADEMIC PURPOSES

Dear President,

Reference is made to the above-mentioned subject; the Ministry of Petroleum has always been encouraging learning, research and education in general and in particular value education in the Republic of South Sudan, with that in mind Mr. Jacob Dut Chol is currently conducting a research in the field of Oil and Gas titled Decommissioning from Licensed Blocks: Investigating the Legal Conformity of PETRONAS Carigall Nile Limited Farming out and Decommissioning from South Sudanese Oilfields.

In that regard MoP is hereby requesting GPOC to allow him to collect data in line with his research subject for academic purpose only.

Accept the assurances of my highest regards and consideration.

  
Eng. Deng Lual Wol  
Director General for Petroleum Authority  
Ministry of Petroleum



Cc: Hon. Puot Kang Chol, Minister of Petroleum  
Hon. Dr. William Anyak Deng, Undersecretary/MoP  
Mr. Stephen Lemi William, Ag/Director for Refineries/MoP  
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#### 8.4.4. Letter from Ministry of Petroleum to SPOC



Republic of South Sudan  
Ministry of Petroleum  
South Sudan Petroleum Authority  
DIRECTOR GENERAL'S OFFICE



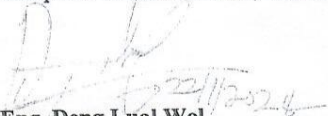
Date: 22<sup>nd</sup> January, 2024  
Ref: RSS/MoP/J/PA/26/2/2024/22-01/0001  
To: Mr. Mohamed Isham  
President;  
Sudd Petroleum Operating Company Limited  
Cc: Dr. Chankel Banak  
Vice President;  
Sudd Petroleum Operating Company Limited  
Subject: DATA COLLECTION FOR ACADEMIC PURPOSES

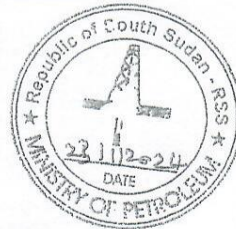
Dear President,

Reference is made to the above-mentioned subject; the Ministry of Petroleum has always been encouraging learning, research and education in general and in particular value education in the Republic of South Sudan, with that in mind Mr. Jacob Dut Chol is currently conducting a research in the field of Oil and Gas titled Decommissioning from Licensed Blocks: Investigating the Legal Conformity of PETRONAS Carigall Nile Limited Farming out and Decommissioning from South Sudanese Oilfields.

In that regard MoP is hereby requesting SPOC to allow him to collect data in line with his research subject for academic purpose only.

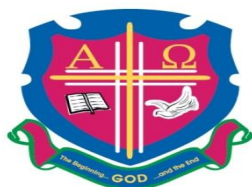
Accept the assurances of my highest regards and consideration.

  
Eng. Deng Lual Wol  
Director General for Petroleum Authority  
Ministry of Petroleum



Cc: Hon. Puot Kang Chol, Minister of Petroleum  
Hon. Dr. William Anyak Deng, Undersecretary/MoP  
Mr. Stephen Lemi William. Ag/Director for Refineries/MoP  
File

## 8.5. Post Viva Form



# UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

UGANDA CHRISTIAN UNIVERSITY

SCHOOL OF RESEARCH & POSTGRADUATE STUDIES

DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 2<sup>nd</sup> May 2024

Name of Candidate: Jacob Dut Chol Riak      Reg. No: S22M23/028

Title of Dissertation: DECOMMISSIONING FROM LICENSED BLOCKS: INVESTIGATING THE LEGAL CONFORMITY OF PETRONAS CARIGALI NILE LTD FARMING OUT AND DECOMMISSIONING FROM SOUTH SUDANESE OILFIELDS

SN	COMMENTS BY EXTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	The abstract could be reduced to around 350 words	Abstract is reduced to 351 words	In page 1-2, corrected.

2	Chapter two on literature review should analyse different scholarly work on the subject matter. No scholarly work has been reviewed under Sub-section 2.3 titled: “Legal Violations of Petronas Farming Out and Decommissioning of Licensed Blocks in South Sudan”	Different scholarly work has been reviewed under 2.3.	See page page 14-19.
3	The work could have benefited from a comparative analysis, to draw lessons from other countries.	Comparative analysis has been done	See page 18 under 2.3.4 analysis.

SN	COMMENTS BY VIVA VOCE PANNEL	ACTION TAKEN	INDICATOR
1	Indicate each research question which the analysis represents.	In chapter two which represents literature review research questions have been presented on the headings of the literature review. For example 2.2 represents research question 1, besides 2.3 represents research question 2, 2.4. represents research question 3 and 2.5 represents research question 4. This is also done in chapter four which represents data analysis, presentations and interpretation of findings which the four research questions have been analyzed on headings of the figures and tables.	For literature review analysis, see page 12-25. For data analysis and presentations, see page 38-59.
2	Conclusions and Recommendations should be presented separately.	Conclusions and recommendations have been separated.	See page 69 for conclusions and page 72 for recommendations.

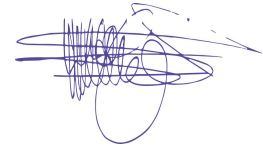
**JACOB DUT CHOL RIAK**



Candidate's Name

Signature

**PROF. ISAAC CHRISTOPHER LUBOGO**



Supervisor's Name

Signature