



PARLIAMENT OF SIERRA LEONE

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PRESS RELEASES



PARLIAMENT RATIFIES PETROLEUM AGREEMENT

The Parliament of Sierra Leone has On Tuesday, 19/12/2023 ratified the Petroleum License Agreement for the exploration of the development and production of Blocks 53, 54, 55, 71, and 73 Between the Government of the Republic of Sierra Leone and F. A. Oil Limited dated 4th - December -2023. The document was laid on the table of the House of Parliament on Thursday 14th December -2023.

Presenting the document for ratification, the Attorney General and Minister of Justice, Mohamed Lamin Tarawally said the agreement defined the rights and obligations of the parties concerning petroleum operations to be conducted in the license areas. The agreement according to the Minister grants F. A. Oil the exclusive rights to conduct petroleum operations and follow corresponding obligations amongst others.

The Minister said the agreement would promote the well-being of compatriots and the development of the State. He comprehensively explained the tax benefits of the agreement towards the economic growth of the country. He also highlighted multiple benefits and benchmarks of the company and human capacity development of Sierra Leoneans, relative to closing the employment and fuel gaps in the country. The Minister also assured Parliament of a transparent and fair operation plan for the company.

According to the Minister, the company is expected to explore for seven years and would address stakeholders' concerns on special social projects for four communities (two in the North and two in the South) to ameliorate the poverty of the people. The money went on to say, the amount for the aforesaid support would be committed to various communities through the following phases annually: during exploration, an amount of one million dollars would be slated, one million five hundred dollars would be disbursed during the developmental stage, and two million dollars during production. The Minister reiterated that they would use the amount to focus on the implementation of the social priority projects including health, education, and general empowerment of the potentially affected communities. He positively reassured the Members of Parliament of the project outcome.

Contributing to the debate, Hon. Abdel Osman Timbo Esq. from Western Area Urban said the importance of the opposition is to lend a voice to the agreement and went on to commend the project. He expressed hope that the agreement would succeed with the current Government, and went on to say that APC would lay hands on the agreement as well. He positively expressed the investment opportunities of the agreement and ascertained the authenticity of the company. "This agreement is very important" he maintained and raised concern over the period of exploration. He commended the company for putting at stake a huge amount of money for exploration. He emphasized on the investment risk of the agreements.

The MP drew the attention of the House to consider the employment of locals, relative to empowerment. He thanked the investors and assured them of protection. "Let us understand that this contract is signed by the Government" he reaffirmed.

Hon. Abdul Karim Bangura, Member of Parliament from Karene District said the agreement is a positive landmark for Sierra Leone and is in line with the President's expectations. The MP denounced the pessimism from the opposition about the agreement. He expressed hope for the investment.

Hon. Alex Rogers from Pujehun District while contributing to the debate predicated on his experience and raised serious concerns over the oil block monopoly by the company and outlined risk as well as other related matters including environmental protection. The MP informed the House that the project is very viable.

Hon. Catherine Zainab Tarawallie Deputy Whip 1 of Opposition from Bombali District said the agreement would promote the well-being of the people. The MP expressed hope that the operation would yield dividends and also supported the concern earlier raised by the MP from Pujehun.

The Female MP expressed fear over the employment of foreigners against citizens. She used the opportunity to advise the company to follow the due diligence and work in line with the agreement.

Hon. Daniel Koroma, Deputy Leader of Opposition from Koinadugu District said they are in support of the agreement and noted that such natural resources should be explored for the people of the country. The MP highlighted some important aspects and concerns of the agreement including environmental protection, Local Content Policy, human rights situation and protection, and the terms of the agreement amongst others. The MP revealed to the House that, he had been reliably informed that the oil or gas of Sierra Leone is commercially viable.

In rounding up the debate, Opposition Leader Hon. Abdul Kargbo stated that it has always been their wish for foreign direct investment to be attracted by Sierra Leone. He told the House to look at the benefits of the agreement, highlighting the revenue generation, infrastructural development, social benefits, and others.

The MP raised concerns about mining community development and community engagement. He comparatively analyzed the agreement to other countries including Ghana and Nigeria, in light of revenue generation and appropriation of funding to priority areas.

He raised serious concerns over human capital development with regard missing clause on training compatriots in that direction. He urged the House to consider the agreement in the future to review certain aspects.

For foreign exchange transactions he said, the country would closely consider and scrutinize the use of foreign currency. He advised the State on confidentiality and upholding the principle of

accountability as well as transparency. He also advised the Government to appoint an independent body to monitor the process and also emphasized the capacity building of citizens in petroleum products. "This agreement is a good agreement" he stated and went on to encourage colleague MPs to support the agreement.

In concluding the debate, the Acting Leader of Government Business, Hon Saa Emerson Lamina from Kono District assured colleague MPs of the positivity of the agreement and comparatively recalled how previous agreements were crippled. He reassured the House that, the agreement is in line with President Bio's manifesto. The MP alluded to the viability of the agreement in light of the natural resources of Sierra Leone. The Leader strongly reaffirmed to the House that the agreement would follow the due diligence of the law in light of the potential benefits of the State. He highlighted the economic growth of the country through the agreement and emphasized the employment capacity of the company and the promotion of local employees. The Leader spoke about the ratio of the company's proceeds and the employment of female compatriots. The Leader also recommended to the Minister to consider a policy on the repatriation of mineral proceeds after sale by the investor overseas, to beef up the foreign exchange. The MP alluded to the projection of the country's image to the International community by the current Government and the credibility bestowed upon them.

Parliamentary and Public Relations Department

Parliament of Sierra Leone

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