



Republic of Somaliland
Ministry of Water and Mineral Resources

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Press Release

The Somaliland Ministry of Water and Mineral Resources, led by the minister H.E. Qasim Sh. Yussuf Ibrahim is pleased to announce that TGS-NOPEC Geophysical Company recently completed an on-shore program of 34,600 kilometres of aeromagnetic data and a 2D seismic survey of offshore Somaliland , consisting of 5,100 KM of modern seismic data. Both data programs are currently being processed for an international bid round planned for late 2008. In March 2007, TGS acquired 1000 KM of offshore seismic as well.

TGS is the first seismic company to gather new geophysical data in the Republic of Somaliland in almost thirty years.

TGS is well qualified to conduct the Somaliland geophysical program. TGS is a Norwegian public company listed on the Oslo Stock Exchange (Oslo BÅ,rs).

TGS specializes in the design, acquisition and processing of 2D and 3D multi-client seismic surveys worldwide. Since its founding in 1984, TGS has embraced the multi-client model, acquiring over 2,000,000 line kilometres of 2D data and 88,000 square kilometres of 3D seismic data in North and South America, Europe, Africa and Asia.

For the record, the facts about TGS's dealings with the Somaliland government are as follows.

TGS has been authorized under an Agreement with our Ministry of Water and Mineral Resources to undertake seismic and aeromagnetic surveys on behalf of the Republic of Somaliland. In return, TGS is creating a geophysical database at no cost to the Government which it will market on behalf of Somaliland.

To be clear, TGS has not made any payments to the Ministry or the Minister for the authorization to conduct the geophysical program.

The seismic and aeromagnetic data is the national property of Somaliland under the multi-client data acquisition agreement.

TGS has no ownership interest in the Somaliland data. TGS has also undertaken, at no cost to the Government, to carry out training of Ministry personnel in seismic processing and interpretation under a technology transfer project.

The multi-client model of data acquisition is well established in the international oil and gas exploration market. Multi-client agreements are not subject to bidding or bid rounds since the multi-client data company is risking its own money to conduct the data surveys.

Under the TGS multi-client model, TGS will not recover on its investment until the data is successfully sold multiple times. The multi-client model is of mutual benefit to both Somaliland and TGS.

Through multi-client sales, TGS spreads the costs of a survey to multiple parties, lowering the cost and barrier to entry for exploration by numerous oil companies, small and large.

Somaliland through the multi-client model receives a modern database at no cost, a revenue share in future data sales and more potential bidders for the valuable resources of Somaliland.

As a result, Somaliland should have more high-quality oil companies willing to invest in Somaliland's future.

In order to promote Somaliland's natural resources and our new modern geophysical database, the Ministry shall send representatives to the American Association of Petroleum Geologists (AAPG) convention in San Antonio Texas at the end of April.

The Minister and representative shall meet and promote Somaliland working closely with TGS. It is estimated that close 7000 delegates will attend the conference.

Part of the promotion shall highlight the Ministry's efforts to hold a bid round for all open blocks in Somaliland by the end of 2008.

As part of our preparation for the bid round, the Ministry has sought independent legal advice to revise our Petroleum Law to meet international standards. Any such changes shall be submitted to the legislative process for revision and approval.

The Ministry is excited about completion of the TGS geophysical surveys and looks forward to bringing substantial foreign investment to Somaliland.

Qasim Sh. Yussuf Ibrahim

**Minister
Ministry of Water & Mineral Resources
Hargeisa
Republic of Somaliland.**