

10 January 2005

## **PEACE AGREEMENT IN SUDAN - SUMMARY**

Lundin Petroleum welcomes the news of the signing of a comprehensive peace agreement that puts an end to the 21 year long war in Sudan. In a nutshell, the main terms of the agreement are: immediately upon the signing of the agreement, an initial 6 months pre-transition period will come into effect, period which is to be used to put in place measures necessary to execute the agreement. A transition period of six years will follow during which the South will enjoy autonomy. At the end of this period, the South will decide by referendum whether it wants to secede or remain within a united Sudan. A power and revenue sharing scheme has also been agreed to, whereby resources will be shared on a 50/50 basis, while power on a 70/30 basis in favour of the central government (55/45 in the formerly disputed areas of Abyei, Blue Nile and Nuba Mountains). There have been indications that the resource sharing scheme will take place immediately which means that 50% of oil revenues should accrue to the South immediately. The agreement also contains provisions to exempt the South from Sharia law (the status of Khartoum to be decided by the elected assembly) and to merge the armies at the end of the 6 year period, should the south choose to remain within a united Sudan.

Lundin Petroleum is hopeful that this agreement will pave the way for renewed activity in the oil sector including operations in Block 5B. It also hopes that it will provide an impetus for a rapid resolution of the conflict in Darfur.