

PETROLEUM IN WESTERN SAHARA 2003

1. OFFSHORE FIELDS TO BE EXPLORED BY ELF AND KERRMCGEE

Western Sahara hold possibly the world's richest fishing grounds. Contained within its borders are significant untapped phosphate and oil reserves.

The area is also home to one of the world's longest-running conflicts. Morocco which marched into the territory in 1975 under invitation from Spain, the departing colonial power -- and the native Sahawari people and their national liberation movement, the Polisario Front. Before the ceasefire, the war cost thousands of lives and disappearances and prompted Morocco's King Hassan to construct the huge fortified wall around two-thirds of the desert.

The Sahawari are nomadic tribes, formed from a mixture of Arabic, Berber, and black African cultures, their ancestors were Yemeni Arabs who originally traveled across north Africa in the 13th century. Sahawaris now live in refugee camps inside southwestern Algeria, or under harsh repression in Moroccan-controlled territory.

About 165,000 Sahawaris live in the Algerian camps (plus another 65,000 in the Moroccan "Occupied Territories"), which are run on a semi-autonomous basis by the Polisario -- or, as they call themselves, the Sahawari Arab Democratic Republic. Set up during frequent bombing by Moroccan jets (which also attacked the refugee columns fleeing the Western Sahara), the camps are still here, 24 years later.

In October 2002, of two large contracts were signed between international oil companies and the Moroccan government to explore promising oil fields off the coast of Western Sahara.

The companies are TotalElfina and Kerr McGee. Under the contracts, TotalFinaElf may explore 115, 000 kilometre square area off the coast of Dakhla Western Sahara for a 12 month period. Kerr McGee signed a deal to explore 110, 000 kilometre square area of deep water off the northern coast of Western Sahara.

President of the Sahrawi Arab Democratic Republic, Mohamed Abdelaziz, said that contracts signed by oil companies Kerr McGee and TotalFinaElf to explore the oil resources offshore Western Sahara were a "provocation." The President appealed to the United Nations to annul the contracts with Morocco because they violate international law.

President Abdelaziz claim this on behalf of the UN refusal to recognize the Moroccan occupation of Western Sahara and the territory's status as a colony. They refer to a 1991 UN resolution, stating that "the exploitation and plundering of colonial and non-self-governing territories by foreign economic interests, in violation of the relevant resolutions of the United Nations is a grave threat to the integrity and prosperity of those Territories."

According to the US Geological Survey of World Energy, year 2000, estimated oil and gas resources off the Saharan coast are substantial and the probability (including both geologic and accessibility probabilities) of finding lucrative oil and gas fields is very high. While it is assessed that Western Sahara has relative large and probable offshore oil resources, numbers for Morocco proper are low and insecure.

The Paris-based oil multi TotalFinaElf announced that it "has signed a reconnaissance contract with the Moroccan state oil company, Office National de Recherches et d'Exploitations Pétrolières (ONAREP), for the Dakhla Offshore zone. Located offshore the town of Dakhla, the zone covers an area of 115,000 km²." Dakhla was the capital of the Spanish Western Sahara colony before 1975.

According to a TotalFinaElf release, "the contract covers an initial period of 12 months, during which regional geological and geophysical studies will be undertaken in order to assess the petroleum potential of the zone. These studies will complement the knowledge base that TotalFinaElf has been building-up over several years along the length of the Atlantic coast of Africa.

The American oil company Kerr-McGee is far more restrictive on its information. The company's website only informs that Kerr-McGee is involved in "focusing on international deepwater opportunities offshore ... Morocco, ... where it has lease positions". In November 2001, the US company has acquired 33.33 percent interest in the 3 million-acre Cap Draa Haute Mer exploration license offshore Morocco.

Earlier operations abandoned Previous attempts to explore Western Sahara oil resources have all been abandoned due to the political risks. Gulf Oil, WB Grace, Texaco and Standard Oil were considering a joint venture with the Spanish authorities in the 1960s.

In the second half of the 1960's the US companies Pan American Hispano Oil, Caltex, Gulf Oil and Phillips undertook an exploration of 2443.192 hectares of Western Saharan desert which led to the discovery of a small layer of 100 km at Faim el Oued. In total 27 strata of oil were discovered in 1964.

In 1978, offshore blocks were awarded to Philips and BP but were quickly abandoned because of the war. In the basin between El Ayoun, Western Saharan capital and Tarfaya (Morocco) bituminous shale was discovered with reserves of

100 million barrels of crude but this can only profitably be extracted if oil prices rise to US\$ 40 a barrel. Shell signed a contract to build a treatment works in 1981 but the work was never completed.

Source: *RESISTANCE OILWATCH NETWORK BULLETIN Number 35 - February 2003*