



AFRIMARI



**The Source** for Critical Information and Insight™

---

# Overstepping the Line

African Maritime Border Disputes and Hydrocarbon Exploration

**Marné Beukes**

**Energy Analyst: Sub-Saharan Africa & Australasia**

**IHS: World Markets Energy**

# Introduction

- Many countries do not have delineated boundaries- not a problem
- And often not a priority either!
- Energy needs of world pushes oil companies to new areas
- Technological advancements like deepwater drilling facilitate exploration in complex geologies, opening up new areas
- Hydrocarbon discoveries ignites new and reignites old border disputes



- Especially in Africa with its history of “divide and rule” ex DRC

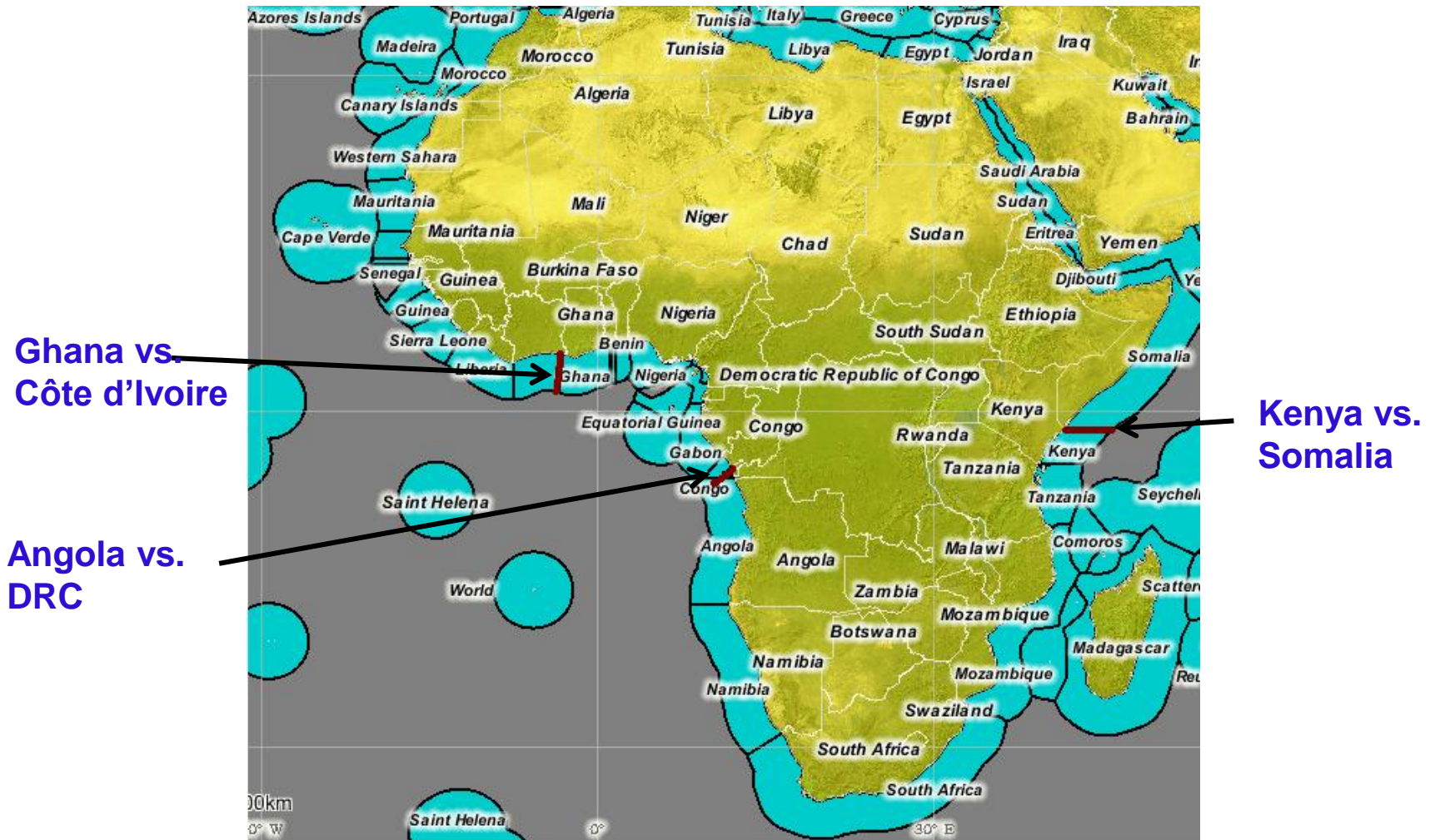


# Importance for E&P companies

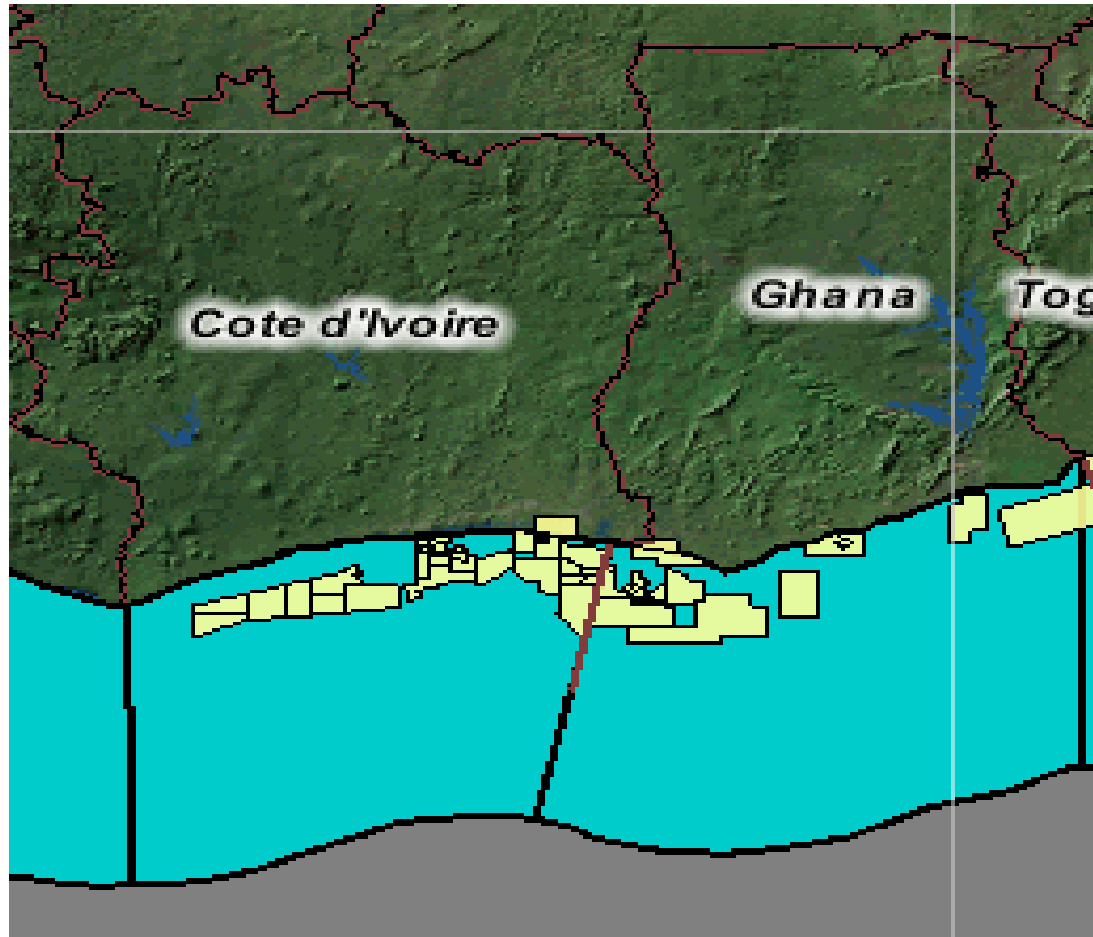
---

- Legal
  - Ownership of reserves granted to state under international law
  - But which state? Uncertainty over contract validity
- Financial
  - Delaying exploration and potentially viable production i.e. Gabon
  - Tax demands from hostile state i.e. Cote d'Ivoire
- Politics
  - Potential source of conflict (not as salient as with onshore borders)
  - Complexities of bilateral politics delay solutions i.e. Ghana/Cote

# Meet the Case Studies

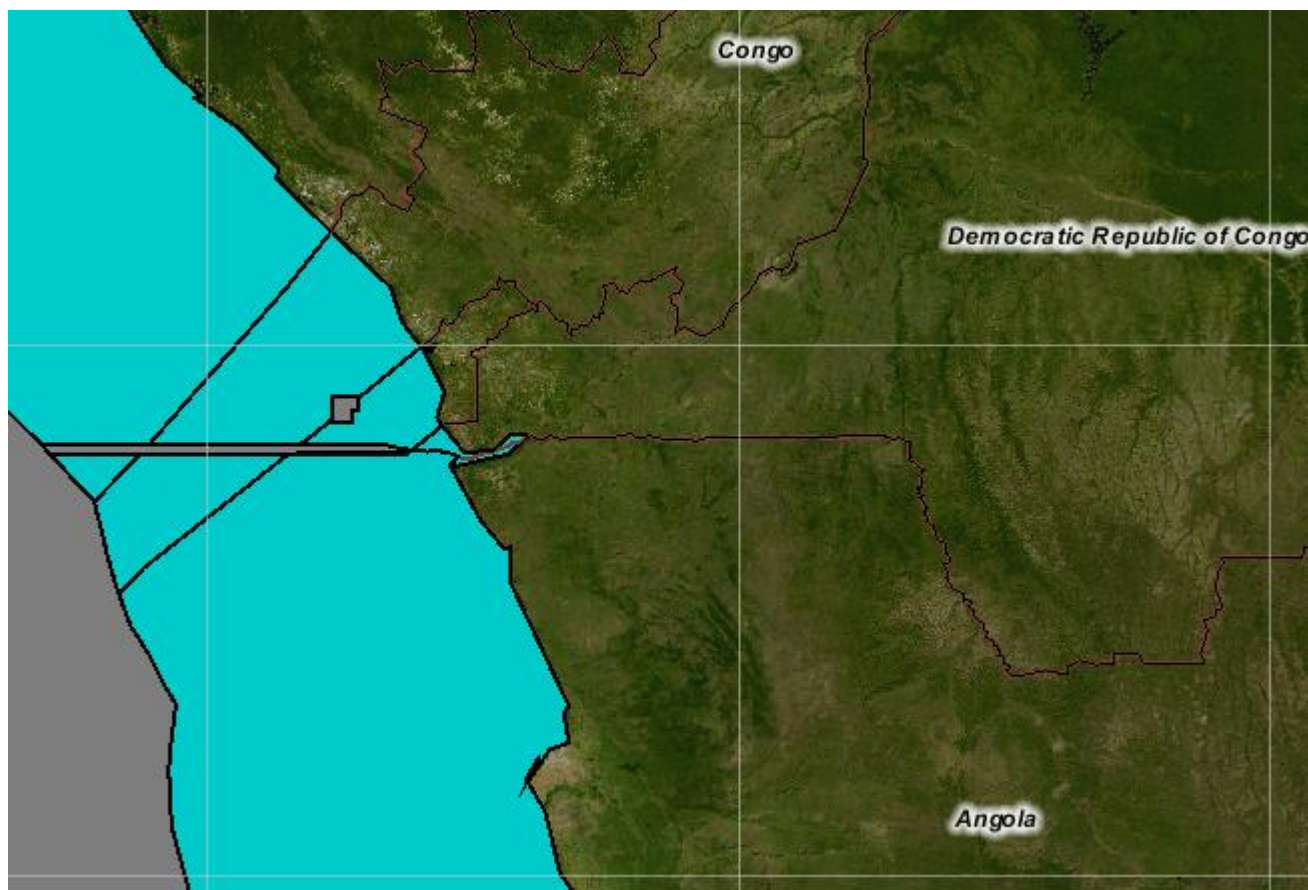


# Ghana vs. Cote d'Ivoire



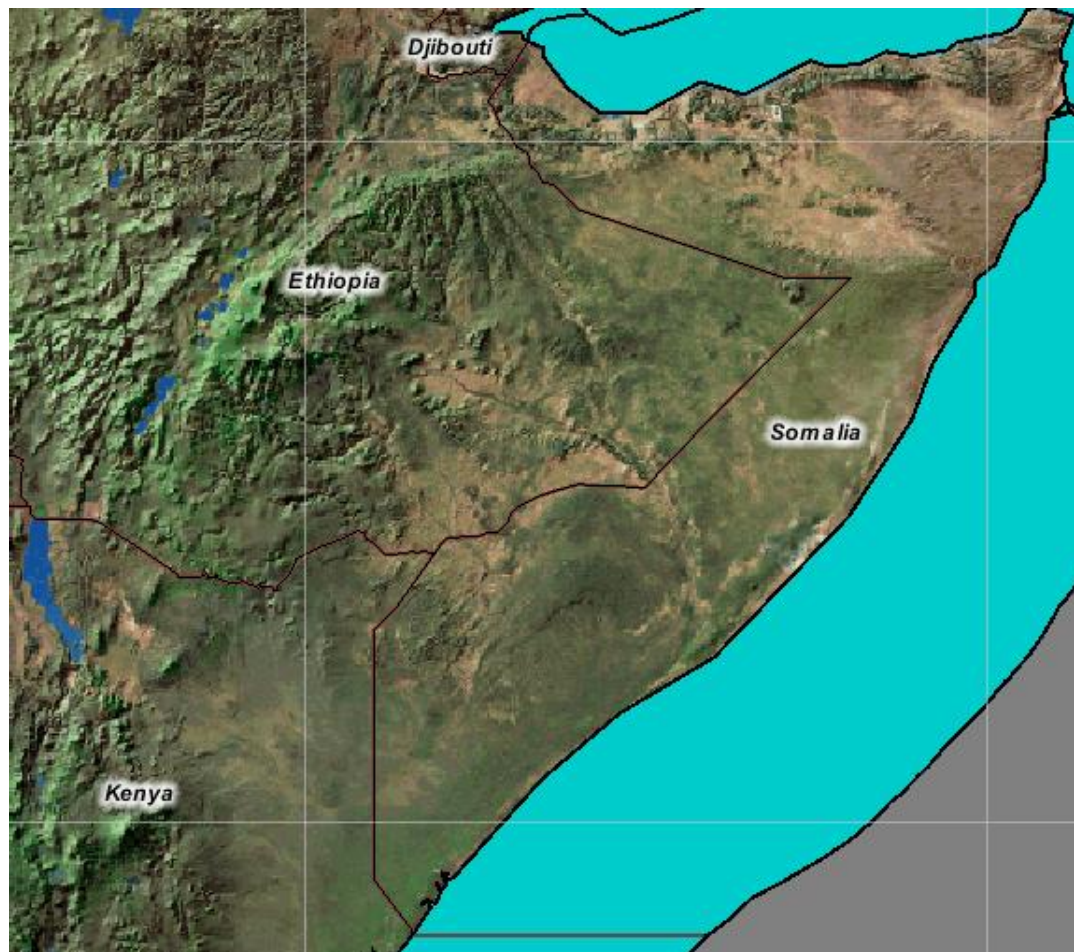


# Angola vs. DRC



Source: IHS EDIN

# Kenya vs. Somalia







# Development of Regulatory Framework

- From Hugo Grotius to the “cannon shot rule”
- Truman Proclamation (1947) → Chile, Peru, Ecuador et al
- 1958 Geneva Conventions that established equidistant rule
- 1973 UN Conference on the Law of the Sea
- UN Convention and Law of the Sea (UNCLOS)
  - completely revolutionised ownership of seas
  - general framework to determine boundaries + dispute forum
  - but also part of the problem:
    - states have right to claim → overlapping claims
    - but importantly no procedure for developing cross-border reserves

# Playing Chess on (African) Waters

- International arbitration is often politically advantageous to states- shifts blame to rulings
- But takes years and simply refers matters back to states ex. Malawi vs. Tanzania
- Governments lack expertise to determine complex cross-border development and revenue-sharing agreements amongst themselves
- Rulings does not mean conclusions/peace i.e. Bakassi Peninsula in Cameroon vs. Nigeria
- Delineating a boundary is one thing, it is another to determine how to develop cross-border reserves





# Finding a Resolution

---

- Plenty of examples elsewhere where the question over cross-border reserve development were settled: Trinidad/Venezuela
- Role of technology in giving certainty over reserves base, potential revenues
- Joint Development Zones i.e. Australia/Papua New Guinea
- But the political will needs to be there for it to work

## CONCLUSION