

Statement by H.E. President Ellen Johnson Sirleaf at Signing of Renegotiated Agreement on Oil Block LB-13

My Fellow Liberians:

A few days ago, I received a renegotiated agreement from the National Oil Company of Liberia (NOCAL), which chairs the Hydrocarbon Technical Committee. Signed by representatives of NOCAL, ExxonMobil, the Canadian Overseas Petroleum Ltd. (COPL) and Peppercoast, this agreement, upon my signature, when ratified by the Honorable Legislature and printed into handbills, will transfer operational rights of oil block LB-13 from Peppercoast to ExxonMobil and the Canadian Overseas Petroleum Ltd (COPL), with ExxonMobil owning 80 percent and COPL owning 20 percent of the operational rights.

You may recall that in repeated addresses, at home and abroad, we have consistently laid out the framework and principles by which we would act to protect the interests of our people and to promote opportunities for further investments in the country. These principles include fairness to the investor and more benefits to our people; increased transparency, accountability and Liberian participation; increased opportunities and assurances for building the capacities of our people; adherence to the best available measures for the protection of our environment; and the leveraging of oil revenues to ensure that long after the oil is depleted, our economy will be more diversified and stronger. And, importantly, the lives of our people will be improved.

While we have some ways to go in the overall reform process, I am satisfied that in many, if not all, of the provisions of this agreement – the most important of which were recently explained by Dr. Randolph McClain, President and Chief Executive Officer of NOCAL – the various reform principles which we have repeatedly expressed, and collectively desired, guided this renegotiation process and, to appreciable degrees, have been applied throughout this agreement.

In notable respects, a number of the provisions in this renegotiated agreement stand out as amongst the first in Liberia. These benefits include an unprecedented US\$50 million in upfront payments in signature bonus, taxes and fees; equity participation for citizens; royalties, carry-free interests for the

State and linkages to local businesses. The agreement includes funds for training, social welfare and education. There are also provisions to ensure a rigorous protection of our environment and the establishment of a special “Abandonment Fund” for each field placed into production once 50 percent of the estimated recoverable petroleum has been produced from such field.

The participation of the world’s largest oil and gas company, ExxonMobil, and other considerations have persuaded me that, truly, this renegotiated agreement is different from, and better than, the previous. It is a good step forward.

And so, I have consented to affix my signature to this agreement and have further instructed that it be forwarded to the Honorable Legislature for possible ratification.

I thank you, our people, for your continued confidence, and I thank the negotiating team for their work and for their successful renegotiation.

May God continue to bless Liberia.