



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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Factual Response to article titled: "Oil Drillers Threaten Okavango Ecosystem"

The Ministry of Mines and Energy ("MME") and Reconnaissance Energy Namibia Pty Ltd ("Recon") hereby provide correct information, to the article that appeared in The Namibian dated 16 September 2020 under the title "Oil drillers threaten Okavango ecosystem".

The Ministry would like to inform the public that The (*Petroleum Exploration Licence 73*) PEL 73 was issued by the Ministry for the purpose to explore for hydrocarbons. The focus of the upcoming drilling program is to establish the presence of a hydrocarbon system and conventional reservoirs. To date no onshore Production Licence for PEL 73 has been applied for/or granted and no Licence for the development of unconventional resources (*E.g. Shale gas*) has ever been applied for/or granted in Namibia. This means that on record, no hydraulic fracking activities are planned in Namibia. It also means that the company Recon will not be conducting any fracking activities in the Okavango Delta.

The Ministry would like to clarify, that the proposed exploration activities will not in any way cause any negative impacts to the Okavango Ecosystem, as the known Okavango ecosystem is not connected at all, to the proposed drilling locations. The planned drilling under PEL 73 by Reconnaissance Energy of stratigraphic wells is located in Block 1820 in the recently identified Kavango basin, centred on Ncaute, 55 km south of Rundu, in Northern Namibia. The locations are not located along the banks of the Okavango River as indicated in the article. In fact, the drilling locations are very far from the Okavango Delta.

The public must understand that no oil and gas exploration activities are allowed in National Parks and no Licences overlapping with any national park have been granted. All National parks have been excluded from petroleum exploration Licences including the PEL 73 area.

The Government, affected stakeholders and the civil society have been kept well informed about this program. Most importantly, the program boast a social licence that allows it to continue its efforts in the PEL 73 area. This means, the community was engaged and there is an ongoing acceptance and approval of the exploration project by the local community members and other stakeholders that have the power to affect the productivity of this very important program.

Finding hydrocarbons (*oil and gas*) and the development of a successful oil and gas industry will result in an increase of state income through rights rentals and payment of direct and indirect taxes. It will further result in knowledge creation as the program will present a better understanding of the Kavango Basin, the greater Etosha and Kalahari Basins petroleum systems of Namibia that could finally lead to the discovery of economic oil or gas or both resources that will change the economic landscape of Namibia for the benefit of its people.

In addition, the socioeconomic impacts of exploratory drilling will result in the employment of locals, the provision of drilling of community water supply wells near the proposed well locations, a supply of services and demands on local infrastructure services. The list is endless and it is important to mention that, such impacts will start before the mobilization of equipment to the drilling site and will continue even after drilling has finished.

Lastly, the Ministry would like to state that all the necessary environmental impact permits for the project are in place.

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