South Sudan’s Nile Petroleum Corporation (Nilepet) has, in a bid to boost the oil industry, entered into joint venture with Glencore International; a Swiss-based public company involved in production, processing, refining and transporting energy products.

The move, according to Mangok Kali Mangok, Nilepet’s managing director seeks to ensure that crude oil entitlements from the company, and the Republic of South Sudan in general, find a market in the international arena.

“The joint venture will help the Republic of South Sudan develop its national oil company through skills transfer and training and will be responsible for marketing the crude oil from July 09 onwards,” Mangok said in a statement.

Partnership with Glencore, he added, will enable the former to invest in oil infrastructure in newly independent South Sudan as well as raise international financing that will benefit the new nation.

The development comes nearly five months after South Sudan’s Energy and Mining ministry and Petroliam Nasional Berhad (PETRONAS), a Malaysian-owned oil and gas company signed a two-year memorandum of understanding (MoU) aimed at boosting mutual cooperation between the two parties.

The MoU, signed in Juba, South Sudan’s capital, outlined the overall principles of cooperation in the oil and gas sector between the government and the Malaysian oil giants, creating an avenue for exploiting existing business opportunities.

In addition, the agreement further creates a platform for the two parties to set up frameworks for sharing experience and expertise in the management of petroleum resources through capability building and other training programs.

In January 2008, Petronas, got permission from South Sudan’s government to begin oil exploration in block 5B, after agreeing to let Moldova’s Ascom Group keep part of the concession, an official said.

Following the signing of the Comprehensive Peace Agreement in 2005 peace deal, the Sudanese government in Khartoum mediated with oil firms with overlapping claims.

In July last year it was agreed that Petronas could keep its share in Block 5B provided it allowed Ascom, already working in the area, a share in the venture.

Block 5B, which lies in Unity and Jonglei states, covers more than 20,000 square km (7,723 sq miles), is operated by the consortium WNPOC (White Nile Petroleum Operating Company) led by Petronas and including India’s ONGC Videsh, Sudan’s state-owned Sudapet and Nilepet and Sweden’s Lundin Petroleum.

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