

Oil Geopolitics in the Horn of Africa: Somaliland DNO Oil Deal Adds Fuel to the Conflict in North Somalia

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Global Research, April 24, 2013

Region: [sub-Saharan Africa](#)

Theme: [Oil and Energy](#)

The secessionist state of Somaliland has [signed](#) a production sharing agreement with DNO, a Norwegian oil and gas company.

The president of the secessionist state of Somaliland Ahmed M. Mohamoud Silanyo and Executive Chairman, Bijan Mossavar-Rahmani attended the signing [ceremony](#) in Washington DC, on the 22 of April.

The oil deal covers block [SL18](#), located in Sool province of North Somalia.

During the signing ceremony Mossavar-Rahmani added: "This 12,000 square kilometer block adds substantial exploration acreage to DNO International's portfolio and in an area that is both prospective and undrilled".

Block SL18 is situated on the [Nugaal Valley Basin](#), a stretch of land that encompasses the provinces of Sool, Sanaag and Ayn, in short the SSC regions, where heavy clashes occurred in Hudun district of Sool province last month between Somaliland forces and Khaatumo State forces.

Somaliland forces have attempted [several](#) times to [capture](#) Hudun town from Khaatumo State forces based in the town.

Hudun town is situated in the western parts of Sool province, exactly in the center of Block SL18, and remains under the control of Khaatumo State of Somalia.

The DNO deal supports the notion that the war waged by Somaliland against Khaatumo State and the local population is Oil. As long as Block SL18 is under the control of Khaatumo State, and there is opposition from the local population, the war in the SSC region will continue and accelerate, while Somaliland is trying to secure these regions for seismic [surveys](#) on the ground and eventually drilling.

The Nugaal Valley Basin has also been sold by Puntland to Horn Petroleum, additionally [ConnocoPhillips](#) and [Shell](#) possess old oil exploration rights granted by the former Somali government of Major General Mohamed Siad Barre.



Although DNO is a small oil company that is familiar with operating in high risk areas, Block SL18 is not only a high risk area but also lies in a conflict zone.

Has DNO not overstepped this time with the SL18 oil deal, an area contested by several Oil companies, and by the signing with Somaliland, a state without any international recognition?

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