



The Transitional Federal Government of the Somali Republic
Office of the Prime Minister

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Baidoa, 18th May 2006

Mr. Mohamud Muse Hirsi
President,
Puntland State of Somalia
Garowe, Puntland - Somalia

I refer to the Contract of Work between Puntland State of Somalia and Consort Private Ltd. which was the subject of my earlier correspondences to your offices.

It has come to my attention that the plans of Consort Private Ltd. and Range Resources Limited now extend to the drilling of oil & gas wells on properties which are within the area of concessions granted by the Somali Republic at an earlier time.

The right to conduct activities for the utilization of subsoil natural resources in the Somali Republic is reserved to persons who have been granted rights by the Transitional Federal Government (TFG) as contemplated by the Transitional Federal Charter of the Somalia Republic.

The Transitional Federal Government of the Somali Republic will be presenting to the Parliament a proposal for a Petroleum Law in the next few months, which will establish a legal regime that will govern petroleum operations in the Somali Republic. It will address the appropriate process of granting rights to conduct petroleum operations, including the handling of the rights held by concessionaires under concessions granted by the Somali Republic at an earlier time.

Until this law is passed and the rights of existing concessionaires properly addressed, I must insist that Puntland State and persons holding rights under the Contract of Work restrict their activities to matters that are within the granting jurisdiction of the Puntland State. This clearly does NOT include the conduct of petroleum operations within Puntland State and else where in Somalia, and particularly in an area under existing concessions.