19th August 2024

OIL AND GAS THEFT FROM BLOCK 26 SURPASSES 50 MILLION BARRELS WITH A LOST VALUE OF OVER US$3,500,000,000 (US$3.5 BILLION)



Unauthorised Production from Block 26

BARRELS LOST	POTENTIAL VALUE LOST
Barrels of oil equivalent (BOE) misappropriated from the Syrian people since January 2017	Potential value of hydrocarbons misappropriated from the Syrian people since January 2017
50,000,000.00	US$ 3,500,000,000*
	* using an oil price of $70 per BOE

This week marks another painful milestone for the Syrian people and for Gulfsands, as well as another shameful one for those responsible for prolonging the crisis in Syria.

Unlawful production from Gulfsands' Block 26 continues unabated and this week:

- Illicit production volumes have exceeded **50 million barrels of oil equivalent** ("boe").
- The lost value of this production has exceeded **US$3,500,000,000 (US$3.5 Billion)**.

These unlawful activities are widely known as being undertaken by entities affiliated with the Autonomous Administration of North and East Syria (the "**AANES**"), Peoples Defence Unit ("**YPG**"), Syrian Democratic Forces ("**SDF**").

The illicit production, and ongoing losses, continue at a rate of around 16,000 boe per day and are monitored and measured at www.gulfsands.com

Unauthorised Production from Block 26

Gulfsands' assets in Syria (Block 26) remain under force majeure. However, the fields continue to be unlawfully produced at a rate of around 16,000 BOE per day. Since the beginning of 2017, when this increased unlawful production was first reported, the amount of "lost" hydrocarbons and their potential value are as follows:

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Block 26 represents less than a quarter of the overall illicit production from the North-East of Syria, where average production is estimated to be around 80,000 boe per day. This represents an ongoing lost value

of around US$6.4 million every day, at today's oil price of around US$80 per barrel, and a cumulative value of more than a staggering **US$14 billion** since the unlawful production began in early 2017.

The Syrian people, however, see the benefits of only a small proportion of this value. The unlawful oil trade takes place on the black market, away from regulation and oversight, meaning prices are depressed and the potential for corruption is high. The biggest beneficiaries of this illegal production are illicit actors - not the Syrian people.

Equally concerning is the fact that the unlawful and unsophisticated operators of the fields use unsafe, unregulated, and hugely environmentally damaging oil field practices which have a catastrophic effect on the health and safety of local communities, causing widespread cancers and terrible respiratory and skin diseases.

We continue to call for this unlawful, unsafe, and environmentally devastating production to stop immediately.

While this theft continues, there is a desperate need for humanitarian and early recovery assistance in Syria. The United Nations' OCHA reports that 16.7 million Syrians are currently in need of humanitarian aid, up from 15.3 million in 2023. OCHA also reports that 90% of Syrians now live below the poverty line. 2023's UN humanitarian appeal for Syria sought US$5.4 billion - the world's largest such appeal - but only 33% of this has been funded, leaving a shortfall of US$3.62 billion. At the halfway point of 2024, OCHA confirmed that barely 20% of the 2024 Humanitarian Response Plan had been funded.



Gulfsands continues to advocate for **Project Hope**, a humanitarian and economic stimulus initiative which would pave the way for international energy companies (which have all declared force majeure as result of international sanctions) to return to operations in North-East Syria, with allocated revenues from oil sales disbursed, with international oversight, to finance early recovery, humanitarian, economic (including youth employment) and security projects across the country. This initiative is designed to be in line with UNSCR 2254 and will enable all Syrian people to benefit from their country's national resource endowment, building self-sustainability and resilience for the future.

With investment and expertise, which is only available through the established international energy companies, we estimate that production in North-East Syria could be cleaned up and increased from 80,000 boepd to around 500,000 boepd and generate in the region of **US$15 billion** per annum. This dwarfs the UN Humanitarian Aid funding shortfall.

Gulfsands continues to work with partners in the international community to raise the profile of this issue and generate support for Project Hope.

If you are interested to hear more, follow Gulfsands on LinkedIn, X and the Company's website at www.gulfsands.com .