

7 September 2015

Lord Clanwilliam
Non-Executive Director
Soma Oil & Gas
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Foreign &
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Office

King Charles Street
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Dear Lord Clanwilliam

Thank you for your letter regarding an alleged leaked confidential report by the UN Somalia and Eritrea Monitoring Group (SEMG). I should point out straight away that, while we would take any SEMG report and its recommendations seriously, we do not comment on leaked or confidential reports.

Separately, I would like to underline that the UK is a strong supporter of trade, responsible investment and economic development in Somalia. However, a DFID funded needs assessment in January 2014 identified the petroleum sector to be high risk as a potential driver of conflict in the absence of a revenue sharing agreement between the Federal Government of Somalia (FGS) and Somalia's regions.

As a result of the risks highlighted in the needs assessment, we are advising the FGS of the importance of having an effective legal and regulatory framework in place before signing oil contracts.

We also raise with potential investors the risks of investing in the extractive sector in Somalia at this time. While we continue to offer security briefings and political updates, as we have done to Soma Oil and Gas, we do not – and have not – lobbied on behalf of oil companies for contracts in the sector.

My officials would be happy to meet you to discuss further, if that would be helpful (please contact [redacted] Somalia Unit on [redacted] or [redacted]).

The Rt Hon Grant Shapps MP
Minister of State