AFRICAN ENERGY CHAMBER

South Sudan Pursues Oil Sector Revival With Fresh Investment Reforms

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South Sudan is actively repositioning itself as a destination for foreign investment, with a renewed focus on attracting capital across the full oil value chain. The African Energy Chamber (AEC) has signalled its support for this effort following a working visit to Juba, underlining the country's intent to engage credible international partners in the sector's recovery.

The initiative reflects a broader recognition within South Sudan's government that structural and regulatory reforms are necessary to restore investor confidence. The country's oil industry has faced prolonged challenges stemming from years of civil conflict, infrastructure degradation, and constrained production capacity. Repositioning the sector requires not only policy changes but also a willingness to engage with international service providers and capital markets on credible terms.

The AEC's involvement is notable given its role as a pan-African advocacy body that actively promotes investment across the continent's energy sector. A working visit to Juba by the Chamber suggests ongoing dialogue at an institutional level, likely aimed at identifying which parts of the value chain — from upstream exploration and production to midstream and downstream processing — offer the most viable entry points for foreign partners under current conditions.

South Sudan's oil sector is heavily dependent on aging infrastructure, with production having declined significantly from peak levels. Revival will require sustained capital injection across multiple segments: well rehabilitation and drilling services, pipeline integrity and expansion, and potentially refining and processing upgrades. The country exports the majority of its crude via pipeline through Sudan, adding a layer of geopolitical and logistical complexity that any incoming operator or service provider must factor into project planning.

For companies assessing the opportunity, the risk profile remains elevated. Political stability, contract enforcement, and revenue-sharing transparency are all variables that require careful due diligence. However, the combination of underdeveloped reserves, low-cost legacy infrastructure, and now a stated government commitment to reform creates a window that value-oriented operators and service companies may wish to monitor closely. The AEC's engagement provides a degree of institutional legitimacy to the reform narrative, which could accelerate the pace at which credible international partners begin formal discussions with Juba.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor South Sudan as a medium-term opportunity rather than an immediate bid target — the reform process is at an early stage and the risk environment remains complex. Companies with experience in mature-field rehabilitation, pipeline integrity, and production optimisation are best placed to engage once regulatory clarity improves. Partnering through AEC-affiliated networks or development finance-backed consortia could reduce entry risk.

PARTNER ANGLES

- **Drilling:** Aging wells and declining production create demand for workover and well rehabilitation services once investment terms are formalised.
- **Pipeline:** South Sudan's export dependency on cross-border pipeline infrastructure signals potential need for integrity assessment and maintenance services.
- **FPSO:** Should new offshore or river-based production concepts emerge, FPSO and floating storage solutions could be evaluated as export infrastructure alternatives.
- **Service:** Production optimisation and reservoir management services are likely early-entry opportunities as operators seek to arrest output decline on existing fields.

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