



**Raheem J. Brennerman, Chairman and CEO of Blacksands Pacific, writes in *The Hill*:**

## **Investing in Africa's Future is Good for Ours**

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At the recent U.S. - Africa Leaders Summit, former President Clinton and former New York Mayor Michael Bloomberg accused American companies of “missing the boat” and falling behind China and Europe in doing business with African nations. In the words of President Clinton, the U.S. business community “needs this relationship as much or more as Africa and its business community.” President Obama has gone further, arguing that the United States must do more to help Africa benefit from economic growth and regard it as a partner of equals.

While these criticisms and pleas may be true in general terms, in fact the American oil and gas industry has long been a significant investor in Africa, and the healthy relationship we enjoy with many African nations looks like continuing in the future. U.S. energy companies, both large and small, are working successfully with local partners in every aspect of exploration and production, where we offer much needed expertise and technology to build long-term capacity and, in so doing, are contributing significantly to local businesses and communities.

There are some who perceive that new business opportunities across Africa are limited or have already been snapped up by America's international competitors. However, the prospects for greater commercial ties available to U.S. oil and gas companies are considerable if we are willing to learn more about the potential that exists and they are prepared to engage with governments and local communities with respect, transparency and on equal footing.

The U.S. Energy Information Agency states that Africa's proven oil reserves are estimated to reach 127 billion barrels, with at least another 100 billion barrels located offshore; for natural gas, proven reserves are thought to be roughly 606 trillion cubic feet. In fact, there is significant upward potential for both. West Africa, centered on the Gulf of Guinea, will continue to produce significant quantities of oil and gas well into the future and likely will attract most of the investment dollars. North Africa produces large quantities of hydrocarbons and has seen increases in production over the last few years. But it has been East Africa that has received recent attention: discoveries in Mozambique, Uganda, Tanzania and Kenya have made this region the continent's energy hotspot, with oil and gas production expected to grow exponentially in the medium to long term. In a report published in 2012, the think tank Chatham House stated that approximately 15,000 wells had been drilled in West Africa, whereas only 500 had been drilled in East Africa at that time. With its low well density, there is huge potential for exploration in East Africa alone, but as a whole Africa remains largely unexplored offering myriad opportunities both onshore and offshore.

Investment opportunities also abound in supporting African nations develop their energy infrastructure and services. Pipelines, storage facilities and refineries are desperately needed to provide affordable energy to some of the world's fastest growing economies. Nigeria, for example, lacks the set up required to take full advantage of its considerable natural gas reserves and is currently looking to attract billions of dollars of inward investment. As fresh discoveries emerge across the continent, newly built infrastructure will be critical in taking this energy to new markets across Africa. At a recent petroleum conference in Lagos, General Electric's Chief Operating Officer of Oil and Gas for West Africa stressed that Africa's population will exceed 1 billion in the next 10 years, placing huge demands on energy. It will be the construction of energy infrastructure that will be central to feeding these rapidly expanding economies and societies.

Africa, of course, is a very diversified but very big "boat" and ample opportunities exist for the U.S. oil and gas industry to work hand in hand with African nations to provide core services and help develop energy infrastructure now and long into the future. In terms of the U.S. oil and gas industry, we have not missed the boat ... but there is still plenty of room on board for those willing to make the journey. Allowing exports of U.S. crude oil would stimulate massive investment in infrastructure, create tens of thousands of desperately needed American jobs, help stabilize global energy markets, and place us nearer our goal of achieving energy security. The status quo does not serve this nation's interests as the world's leading energy producer.

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*Raheem J. Brennerman is Chairman and CEO of The Blacksands Pacific Group, an international oil and gas exploration and production company. He is also chairman of BLV Group Corporation, a real estate investment, management and development company he founded in 2004. An entrepreneur, philanthropist and experienced investor, Brennerman previously worked in investment banking and is the principal of Jefferson III Holdings, a private investment company.*

**[www.blacksandspacific.com](http://www.blacksandspacific.com)**



Contact: David Sowell, Tricuro Communications, [david.sowells@tricuro.com](mailto:david.sowells@tricuro.com), +1-202-701-9005.