

RELEASE IN FULL

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Friday, August 3, 2012 12:25 PM
To: H
Subject: Fw: TRIP CLIP: Reuters: Clinton Urges South Sudan, Sudan to Settle Oil Dispute

From: Nuland, Victoria J
Sent: Friday, August 03, 2012 12:21 PM
To: Sullivan, Jacob J; Reines, Philippe I; Mills, Cheryl D; Daniel, Joshua J; Carson, Johnnie
Subject: Fw: TRIP CLIP: Reuters: Clinton Urges South Sudan, Sudan to Settle Oil Dispute

From: PA Clips [mailto:paclips@state.gov]
Sent: Friday, August 03, 2012 07:13 AM
To: PA-Monitoring-Group-DL; AF-Public Affairs-DL
Subject: TRIP CLIP: Reuters: Clinton Urges South Sudan, Sudan to Settle Oil Dispute

Clinton Urges South Sudan, Sudan to Settle Oil Dispute

By REUTERS

Published: August 3, 2012 at 6:53 AM ET

JUBA (Reuters) - U.S. Secretary of State Hillary Clinton on Friday urged South Sudan and Sudan to end an oil dispute that has brought the neighbors to the brink of war, in the highest-level visit of a U.S. official to Juba since its independence a year ago.

Clinton visited Africa's newest nation for the first time on Friday, hours after a U.S. Security Council deadline expired for the neighbors to solve a long list of disputes ranging from border security to oil payments.

Both nations came to the brink of a full war in April after border fighting escalated, the worst violence since South Sudan became independent under a 2005 agreement that ended decades of civil war with Khartoum.

The duo's messy divorce has left unsolved where to mark the disputed border and how much landlocked South Sudan should pay to export its oil through the north. Oil is the lifeline of both economies.

Clinton said both nations should reach an oil agreement as a first step to end hostilities. Juba sent both economies into turmoil when it shut down its oil

output in January to stop Khartoum seizing oil for what the latter called unpaid fees.

"Now we need to get those (oil) resources flowing again," Clinton told reporters after meeting South Sudan's President Salva Kiir for more than one hour in his office where she hugged him upon arrival.

"A percentage of something is better than a percentage of nothing," she said, referring to the importance of an oil deal.

"Both countries will need to compromise to close the remaining gaps between them," she said during her 3-hour visit to Juba, part of an 11-nation African tour.

The African Union has been trying to mediate between the neighbors but talks have made little progress. Both sides have made some concessions in oil talks but remain far apart from a deal.

Sudan insists it wants a border security agreement first before agreeing on oil. Khartoum accuses South Sudan of supporting rebels in two southern border states, claims some diplomats find credible despite denial from Juba.

South Sudan itself accuses Khartoum of often bombing its side of the border. Although Khartoum denies this Reuters reporters have witnessed several such aerial attacks.

The United States is the biggest supporter of South Sudan which Washington helped guide through years of talks with Khartoum that led to independence in July 2011.

Prior to her Juba visit, Clinton called Sudanese Foreign Minister Ali Ahmed Karti on Wednesday to signal continued U.S. support for both nations to settle all disputes peacefully, Sudanese state news agency SUNA said.

Washington shuns Sudan's President Omar Hassan al-Bashir who has been indicted by the International Criminal Court for war crimes in the Darfur region. The United States also has a trade embargo on Sudan for its past role of hosting Islamist militants such as Osama bin Laden.

(Writing by Ulf Laessing; Editing by Jon Hemming)

DGH