

Facts & Figures: Who Really Controls Somalia's Oil and Gas? Part I

By Isha Qarsoon
April 14, 2026

This is the first of three analytical essays examining the Agreement in the Field of Hydrocarbons concluded between the Government of the Republic of Turkey and the Federal Government of the Federal Republic of Somalia (FGS), signed in Istanbul on 7 March 2024 (the “Agreement”). This essay examines what control Somalia retains over its own petroleum sector after Turkey exercises what the Agreement permits. The companion essay measures the Agreement’s commercial terms against Somalia’s own Model Production Sharing Agreement (“Model PSA”) and international standards. The third essay addresses whether the FGS had the legal authority to enter this commitment at all.

What Was That Celebration Really About?

[On April 10, 2026, Somalia](#) held national celebrations as the Turkish drillship Çağrı Bey docked formally in Mogadishu, with President Hassan Sheikh Mohamud reportedly presiding and Turkish Energy Minister Bayraktar in attendance. Ordinary Somalis who had waited decades for their offshore potential to mean something had reason to celebrate, or would have, if the Agreement that sent that ship to Somali waters had been written for their benefit. It was not. At the departure ceremony in Mersin, Turkiye, Minister Bayraktar was unambiguous: the goal was to make Turkey energy independent, because a Turkey that finds oil abroad will have a far stronger treasury. The people on the dock and the minister at the podium were not celebrating the same thing.



President Hassan, PM Hamse, members of cabinet and dignitaries' reception of Turkey Çağrı Bey in Mogadishu, April 20206

The Nature of the Instrument

This Agreement is not a cooperation framework. Cooperation agreements establish principles within which specific commercial arrangements are subsequently negotiated on their own terms, preserving the host state's ability to set conditions, evaluate competing interests, and decline unsatisfactory offers. This Agreement does the opposite. Article 4 pre-determines every structural commercial question: exclusivity, cost recovery ceiling, royalty, bonuses, assignment rights, and change of law protection, while deferring only the profit split to downstream negotiation.

It is a master concession document granting TPAO [1] a blanket exclusive option over Somalia's entire petroleum estate, exercisable at TPAO's sole discretion, with no legal obligation to ever drill, spend, or commit. [2] The Agreement runs for five years and renews automatically for successive three-year periods unless Somalia notifies Turkey through diplomatic channels at least six months before expiration. Inaction is renewal. TPAO may hold Somalia's petroleum estate under exclusive option through successive automatic renewals without designating a single Contract Area or drilling a single well. That TPAO's drillship Çağrı Bey arrived in Mogadishu in April 2026 raises the question of whether a PSA conforming to the Agreement's or to the Model PSA's terms has been executed, or whether drilling will proceed on the basis of the Agreement alone.

Somalia's Petroleum Law, enacted by Parliament and signed by President Mohamed Abdullahi "Farmajo" in February 2020, established the Somali Petroleum Authority as the institution charged with licensing and PSA negotiation, and required competitive licensing through published rounds. Somalia's Model PSA, published in January 2019, set the mandatory commercial floor for any petroleum contractor. This Agreement does not engage with that framework. It displaces it. This essay measures the Agreement against Somalia's own Model PSA and against one of the most criticized petroleum agreements ever concluded. The fiscal and commercial consequences of that displacement are examined in the companion essay. The constitutional consequences are examined in a future essay.

The Agreement was signed by Abdirizak Omar Mohamed, then Minister of Petroleum and Mineral Resources, who was subsequently removed from office. Turkey treated the transaction as a matter of national strategic importance: President Erdogan transmitted it to the Grand National Assembly under Article 90 of the Turkish Constitution for parliamentary approval and presidential ratification. Turkey's parliamentary justification document describes Somalia's offshore areas as holding an oil reserve potential of 30 billion barrels and six billion cubic meters of confirmed natural gas reserves and frames the Agreement explicitly as an instrument of Turkey's Africa Opening Strategy. Turkey understood precisely what Somalia was committing.

Somalia Surrendered the Right to Conduct Competitive Licensing

Article 4.1 grants TPAO the sole and exclusive right to conduct petroleum operations within any Contract Area it designates across Somalia's entire territory, onshore and offshore. [3] Under the Agreement, the FGS is obligated to conclude a PSA with TPAO for each Contract Area that TPAO "deems appropriate." [4] Somalia does not offer blocks. TPAO selects them. Somalia does not publish terms. TPAO's terms are fixed in this Agreement. There are no competing bids.

The practical consequence is permanent for the duration of this Agreement. TPAO's selection right has no deadline, no geographic limit, and no quantitative ceiling. The Agreement runs for five years with automatic three-year renewals under Article 12.4, and TPAO's exclusivity runs for the full duration without any obligation to designate Contract Areas on any particular timeline. Under the Agreement, Somalia cannot invite any oil company to bid on any block without first knowing which blocks TPAO intends to claim. TPAO has presumably not claimed any blocks as it has not yet completed exploration. Any PSA Somalia concluded with a third party over a block TPAO subsequently claims would create a direct conflict between two exclusive grants, and Somalia would bear the legal exposure on both sides.

Article 4.1 compounds this through its seismic exclusivity provision. TPAO holds the exclusive right to conduct seismic acquisition, processing, and interpretation across every Contract Area it designates. [5] Since seismic survey is the instrument through which acreage prospectivity is initially assessed, TPAO surveys Somali territory, identifies the most commercially attractive blocks (through collection of seismic data and exploratory drilling), and then designates those blocks as Contract Areas, all before Somalia or any competing party holds comparable subsurface data. A third-party investor cannot conduct independent seismic work over any area TPAO has surveyed or intends to survey. What remains available for competitive licensing is, at best, the acreage Turkey has assessed and rejected.

Somalia Surrendered Control Over Previously Licensed Acreage

Somalia had previously granted petroleum exploration licenses to several companies covering specific onshore and offshore blocks, including licenses granted by the pre-1991 and post-2012 governments as well as concessions granted between 1991 and 2012 which have been annulled by Somalia's 2020 Petroleum law. The Agreement is silent on all of them. Article 4.1's blanket exclusivity grant contains no reference to prior concessions, no carve-out for previously licensed acreage, and no mechanism for resolving conflicts where TPAO designates a block already subject to an existing license.

A government negotiating a grant of exclusivity over its entire petroleum estate did not address what happens to rights it had already conveyed to others. Somalia bears whatever legal and financial exposure that omission creates.

Somalia Surrendered the Right to Choose Its Counterparty

The political argument offered in defense of this Agreement is that Turkey is a trusted partner whose bilateral commitment to Somalia justifies terms that might otherwise be unacceptable. That argument has no legal content in the Agreement itself. Article 4.3 permits TPAO to assign all or any part of its rights, interest, and obligations for each Contract Area to any Entity, without qualification and without Somali consent. [6] There is no restriction on the identity of the assignee, no carve-out for entities from states hostile to Somalia, and no requirement that the assignee maintain any connection to Turkey.

The definition of Turkish Designated Entity in Article 1.1 adds a second layer of substitution at the agreement level: Turkey may replace TPAO with any state entity it designates, also without Somali consent. [7] Somalia's counterparty can change twice over and Somalia has no approval right at either stage. The trusted partner argument describes a relationship with Turkey and TPAO as they exist today. The Agreement describes a relationship with whoever Turkey and TPAO subsequently choose. Somalia has accepted every obligation in this Agreement in favor of an entity whose identity it does not know and cannot control.

Somalia Surrendered the Right to Regulate Without Paying TPAO

Article 8.1 defines "Change of Law" to include any legislation, regulation, judicial decision, administrative action, or failure to act by any Somali authority at any level of government.[8] Article 8.3 requires Somalia to compensate TPAO for any costs resulting from any such Change of Law, payable from Somalia's own share of Profit Oil and Profit Gas within one year.[9] Stabilization clauses that protect contractors against targeted sovereign interference are standard in frontier petroleum agreements. What is not standard is the scope of what Article 8 covers.

The definition of "Change of Law" expressly includes "any interpretation or application, by the courts, executive or legislative authorities, or administrative or regulatory bodies" of existing law.[10] A Somali court ruling that this Agreement violated constitutional resource-sharing provisions between the FGS and the federal member states would constitute a Change of Law. A parliamentary amendment to the Petroleum Law would constitute a Change of Law. A federal member state asserting its constitutional resource rights under Article 44 or 54 of the Provisional Constitution would constitute a Change of Law. Somalia's constitutional order, operating normally, is a source of compensable risk for TPAO.

Article 12.3 reinforces this from the other direction: where this Agreement conflicts with Somali national legislation, this Agreement prevails.[11] The two provisions together create a two-layer lock. Article 12.3 displaces Somali law. Article 8.3 charges Somalia for any legislative attempt to restore it. Somalia's parliament cannot correct this Agreement's terms without paying TPAO from its own production revenue for doing so. Somalia's own Model PSA stabilization clause (Clause 44) is limited to specific fiscal parameters and preserves Somalia's right to legislate on health, safety, environment, and conservation. Article 8 contains none of those carve-outs.

Somalia Surrendered Neutral Venue and Accepted One-Sided ICSID Exposure

Article 9.4 records Somalia's unconditional and irrevocable consent to ICSID jurisdiction at TPAO's election — a venue open only to investors against Somalia, not to Somalia against investors. [12] Turkey and TPAO together have access to two forums: Turkey may pursue intergovernmental claims through UNCITRAL arbitration under Article 10, and TPAO may bring investment claims at ICSID under Article 9.4 at its sole election. Somalia has one forum (UNCITRAL arbitration against Turkey as a state) and no claim mechanism against TPAO or its successors, assignees, or contractors. It cannot bring claims against TPAO at ICSID or through any other forum this Agreement provides. Disputes arising from TPAO's exercise of its rights, and in particular any claim that a Somali governmental act has impaired those rights or increased TPAO's costs under Article 8.3, go to ICSID. Somalia bears the exposure but does not hold the trigger.

Somalia has not merely accepted ICSID jurisdiction for expropriation or discriminatory treatment. It has accepted ICSID jurisdiction for claims arising from the normal operation of its own constitutional and legislative order. Every parliamentary act touching petroleum, every court ruling interpreting the Petroleum Law, every federal member state assertion of its resource rights is a potential ICSID trigger under Articles 8 and 9.4 read together. The compensation for any successful claim is payable from Somalia's yet to be negotiated share of Profit Oil. Somalia's parliament, courts, and federal structure are subject to international arbitration at TPAO's election, funded by Somalia's own resources.

Somalia Surrendered Control Over Security Operations on Its Own Soil

Article 6 makes Somalia liable for security operations within its own territory, then grants Turkey and/or the Contractor the right to take supplementary security measures without defining their scope, without requiring Somali consent, and without capping recoverable costs. [13] Turkey may therefore conduct security operations within Somali territory at its own discretion and Somalia's production share subsidizes whatever presence Turkey deems necessary.

A properly drafted provision would define the scope of permissible measures, require prior consultation, and cap recoverable expenditure. None of those safeguards appear.

What Remains for Somalia

When Turkey exercises what this Agreement permits, Somalia retains formal title to resources it cannot independently assess, cannot competitively license to others without legal risk, cannot regulate without compensating TPAO from its own revenues, and cannot litigate in its own courts. TPAO selects acreage without limit under Article 4.1, controls all subsurface information under the same provision, sets its own participating interest under Article 4.4,[14] assigns its rights to any party without consent under Article 4.3, and conducts security operations on Somali soil under Article 6. Article 8.3 charges Somalia for any legislative response. Article 9.4 routes every investment dispute to ICSID at TPAO's election.

The Agreement’s preamble carefully affirms that title to all hydrocarbons in Somalia’s territory is the common good of the people of Somalia and is vested in the FGS. That affirmation is accurate as far as it goes. What the operative provisions then do, article by article, is transfer every right of economic and operational significance attached to that title. Somalia’s petroleum sector is the country’s primary long-term development asset. It was committed through an instrument that its own law does not recognize as a valid authorization for petroleum operations, by a minister who was subsequently removed from office, on terms that no competent negotiator acting in Somalia’s interest would have accepted, without publishing the Agreement’s text through any Somali government channel. Article 12.4 provides one exit: written notice through diplomatic channels at least six months before expiration. Every automatic renewal that passes without that notice is a sovereign choice to remain bound.

The argument that Turkey's partnership justifies these terms is a prediction about Turkish behavior. This Agreement is a legal instrument. What matters is not what Turkey is expected to do but what Turkey is permitted to do. A well-intentioned Turkey operating in good faith still holds every instrument of control identified above — and may transfer those instruments, by assignment, license, or succession, to an entity Somalia never negotiated with and cannot anticipate. The fiscal companion to this essay demonstrates that the commercial terms are as indefensible as the control terms. Taken together, Somalia neither governs its petroleum sector nor captures its value. Part Three examines whether the commitment was legally authorized at all.

Isha Qarsoon

Email: Ishaqarsoon1@gmail.com

Isha Qarsoon is a platform dedicated to addressing critical issues pertaining to good governance, corruption, and social challenges in Somalia.

Endnotes

[1] TPAO (Türkiye Petrolleri Anonim Ortaklığı) is Turkey’s state-owned oil company. Article 1.1 defines the “Turkish Designated Entity” as *TPAO and/or the State Entity designated by the Government of the Republic of Türkiye for the Project and their successors and permitted assigns*. This essay uses TPAO throughout as the named designated entity.

[2] Article 4 directs the parties to conclude individual PSAs but imposes no obligation on TPAO to execute them. No timeline, minimum number of blocks, penalty for inaction, or expiry of exclusivity tied to PSA execution appears anywhere in the Agreement.

[3] Article 4.1 states: *The Federal Republic of Somalia hereby grants to the Turkish Designated Entity the sole and exclusive right to conduct Petroleum Operations within and with respect to the Contract Area*. The word “hereby” confirms the exclusivity is conveyed at the moment of signing, not upon execution of individual PSAs.

[4] Article 4.1 further provides that the Federal Government *shall conclude a Production Sharing Agreement with the Turkish Designated Entity for each Contract Area that the Turkish*

Designated Entity deems appropriate. The word “shall” imposes a mandatory obligation on Somalia. The phrase “deems appropriate” vests the block selection right entirely in TPAO.

[5] Article 4.1 states: *Turkish Designated Entity shall have the exclusive right to conduct seismic operations, including but not limited to acquisition, processing and interpretation, and drilling operations in each Contract Area whether as a Contractor or as a sub-contractor of a Contractor or of the Federal Government.*

[6] Article 4.3 states: *Turkish Designated Entity shall have the right to assign all or any part of its Participating Interest, shares, rights, privileges, duties or obligations for each Contract Area to another Entity.* No consent, notice, or identity restriction applies. “Entity” is defined in Article 1.1 to include any company, corporation, partnership, joint venture, or other juridical entity, whether governmental or private, organized under the laws of any state.

[7] Article 1.1 defines Turkish Designated Entity as *TPAO and/or the State Entity designated by the Government of the Republic of Türkiye for the Project and their successors and permitted assigns.* The “and/or” formulation permits substitution of any Turkish state entity without Somali consent or notification.

[8] Article 8.1 defines Change of Law to include: (a) any legislation, directive, decree, regulation, policy, permit, or similar act of the Federal Government, State Authority or State Entity; (b) any change to any of the foregoing; (c) *any interpretation or application, by the courts, executive or legislative authorities, or administrative or regulatory bodies, of any of the foregoing;* or (d) any decision, policy, or failure to act by any judicial body, tribunal, court, or State Authority. The definition covers every form of Somali governmental action or inaction at every level.

[9] Article 8.3 states that where a Change of Law impairs the Project or imposes costs on TPAO, *the Federal Government shall compensate the Turkish Designated Entity and/or the Contractor for the Costs incurred... Such compensation shall be realized in kind from the Federal Government’s share of the Profit Oil and Profit Gas, within one year from the effective date of the Change of Law.*

[10] Article 8.1(c). The inclusion of judicial interpretation as a Change of Law means that a Somali court applying existing petroleum legislation in a manner adverse to TPAO triggers the Article 8.3 compensation obligation, even where the court’s interpretation is correct as a matter of Somali law.

[11] Article 12.3 states: *Where this Agreement establishes the rules other than those provided by the national legislation of the Parties’ states, the rules established by this Agreement shall apply.*

[12] Article 9.4 states: *The Federal Republic of Somalia unconditionally and irrevocably accepts that any dispute between the Federal Republic of Somalia on the one hand and the Turkish Designated Entity and/or the Contractor on the other hand arising from the application and/or interpretation of this Agreement... can be submitted to the International Centre for Settlement of Investment Disputes (ICSID) by the Turkish Designated Entity and/or the*

Contractor. The consent is unconditional, irrevocable, and exercisable solely at TPAO's election.

[13] Article 6 states: *The Federal Republic of Somalia is liable for the conduct of security operations within the Territory of the Federal Republic of Somalia. However, the Republic of Türkiye and/or the Contractor shall have a right to take supplementary security measures.* No scope limitation, prior consent requirement, or cost cap appears.

[14] Article 4.4 states: *Turkish Designated Entity shall have the right to determine the percentage of its Participating Interest under the Production Sharing Agreement for each Contract Area that the Turkish Designated Entity deems appropriate.* There is no floor, no mandatory Somali state participation, no carried interest for a Somali national oil company, and no requirement that the percentage be disclosed or justified to Somalia.