

<b>RELEASE IN PART</b> <b>B1,1.4(B),1.4(D),B5,B6</b>
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**From:** Sullivan, Jacob J <SullivanJJ@state.gov>  
**Sent:** Friday, August 3, 2012 5:47 PM  
**To:** H  
**Cc:** Mills, Cheryl D  
**Subject:** Fw: Oil deal reached

<b>Classified by DAS, A/GIS, DoS on 01/29/2016 ~</b> <b>Class: CONFIDENTIAL ~ Reason: 1.4(B), 1.4(D)</b> <b>~ Declassify on: 08/03/2027</b>
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So I've spun a select small group of our reporters off the record, but possibly to no avail! Let's see how tomorrow goes.

----- Original Message -----

**From:** Lyman, Princeton N  
**Sent:** Friday, August 03, 2012 05:40 PM  
**To:** Carson, Johnnie; 'Grant\_T\_Harris' [redacted]; Sullivan, Jacob J; Rice, Susan E (USUN)  
**Subject:** Fw: Oil deal reached

B6

As you can see below, there is still some uncertainty about how/when any oil deal would be announced. So let's not say anything for the time being. I will check with the AUHIP as soon as possible.

----- Original Message -----

**From:** Tucker, Joseph R  
**Sent:** Friday, August 03, 2012 05:33 PM  
**To:** Lyman, Princeton N; Burnett, Andrew B  
**Cc:** Lombardo, Allison K; Bailey, Michael F; Bain, Wallace R; Morgado, Gail  
**Subject:** RE: Oil deal reached

To confirm: no mention whatsoever of the oil deal during the Pagan and Karti briefings at the PSC open session. Pagan announced the usual that "RSS has offered an extremely generous economic package to the GoS, making substantial concessions, which have yet to be reciprocated by Sudan.... instead, Sudan chose to extort RSS by attempting to impose exorbitant transit fees and additional surcharge on the use of infrastructure." Pagan talked to press in the AU hallway after the open session ended. Not sure if he said anything there about a deal, but doubt it. A very gloomy Deng Alor noted frustration to me that Pagan was talking to the press so soon.

The only mention about potential HA deal was by Karti in a very muddled way. He noted that this morning something was "finalized" with the tripartite group and GoS, and they'll convene a meeting in Khartoum next week to discuss (this meshes with what Haile said would happen: that the deal wouldn't be inked here, but in Khartoum, and there will be follow-on implementation planning meetings there).

I'll go over my notes for some more gems from the PSC open session, but there was really nothing new announced by either party, and quite a bit of box-checking and scoring points for the record against the other. I have a hardcopy of Pagan's statement that I'll scan tomorrow and send out. No one was really impressed after the session ended. Given the non-mention of an oil deal, and the muddled mention of the HA agreement, UK, EU, and us agreed to take out the contingency language we had put in our remarks at last minute in case the parties mentioned the oil deal or GOS mentioned the specifics of the HA agreement. I gave the comments as per the document cleared last night by Amb. Lyman.

Closed session b/w AUHIP, UN, and PSC members still going on now. Will likely have more to report after the 11am AUHIP brief tomorrow here at hotel. Until then I don't think we should broadcast the oil deal. We might also want to wait and see what the PSC communiqué details. Probably won't get out until tomorrow.

-----Original Message-----

From: Lyman, Princeton N  
Sent: Friday, August 03, 2012 3:32 PM  
To: Burnett, Andrew B  
Cc: Lombardo, Allison K; Tucker, Joseph R; Bailey, Michael F  
Subject: Re: Oil deal reached

Waiting to see if Mbeki announces it.

----- Original Message -----

From: Burnett, Andrew B  
Sent: Friday, August 03, 2012 03:30 PM  
To: Lyman, Princeton N  
Cc: Lombardo, Allison K; Queen, David A; Stokes, G. Bart  
Subject: RE: Oil deal reached

Ambassador,

Will do. Did you respond to Jake? We can follow up with Matt if needed. We aren't sure if/when Mbeki will announce the deal, but after he does S could put this statement out.

Thanks,

Andy Burnett  
S/USSESS  
202-647-4317

-----Original Message-----

From: Lyman, Princeton N  
Sent: Friday, August 03, 2012 3:09 PM  
To: Burnett, Andrew B  
Subject: Fw: Oil deal reached

See below. Let's let the secretary go first.

----- Original Message -----

From: Sullivan, Jacob J  
Sent: Friday, August 03, 2012 02:59 PM  
To: Lyman, Princeton N; Carson, Johnnie; gharris [redacted]; Reines, Philippe I; Mills, Cheryl D  
Subject: Re: Oil deal reached

Princeton, can you let us know when Mbeki announces it so that we can welcome it?

I would do a statement from S saying the following. [redacted]

[redacted]

B6

B5

----- Original Message -----

From: Lyman, Princeton N

Sent: Friday, August 03, 2012 02:26 PM

To: S\_SpecialAssistants

Cc: 'Grant\_T\_Harris' [redacted]; Carson, Johnnie; Sullivan, Jacob J; Tucker, Joseph R; Burnett, Andrew B; Lombardo, Allison K; Nuland, Victoria J; Mills, Cheryl D; 'mmiller@' [redacted]; [redacted] Stokes, G. Bart; Andre, Larry E; Stafford, Joseph D; Rice, Susan E (USUN)

Subject: Oil deal reached

B6

Mbeki has received agreement from Kiir and GOS on an oil deal. Compromises reached on fees, etc. Mbeki will announce it to AUPSC shortly. Kiir held out for a long while but finally consented.

Break out the champagne and toast the Secretary.

----- Original Message -----

From: Lyman, Princeton N

Sent: Thursday, August 02, 2012 07:53 PM

To: S\_SpecialAssistants

Cc: 'Grant\_T\_Harris' [redacted]; Carson, Johnnie; Sullivan, Jacob J; Tucker, Joseph R; Burnett, Andrew B; Lombardo, Allison K; Nuland, Victoria J; Mills, Cheryl D; 'mmiller@' [redacted]; [redacted] Stokes, G. Bart

Subject: Wrap up

B6

Dear Madame Secretary:

Here is a quick wrap-up on the negotiations as they stand now. Mbeki's brief to the AUPSC has been moved to 2:30 pm

1.4(B)  
1.4(D)  
B1

1.4(B)  
1.4(D)  
B1

[Redacted]

1.4(B)  
1.4(D)  
B1

Thank you for your extraordinary efforts and support of this peace process.

----- Original Message -----

From: Lyman, Princeton N

Sent: Thursday, August 02, 2012 04:50 PM

To: S\_SpecialAssistants

Cc: 'Grant\_T\_Harris' [Redacted]; Carson, Johnnie; Sullivan, Jacob J; Tucker, Joseph R; Burnett, Andrew B; Lombardo, Allison K; Nuland, Victoria J; Mills, Cheryl D; 'mmiller' [Redacted]

[Redacted]

Subject: Your intervention needed on oil.

Dear Madame Secretary:

[Redacted]

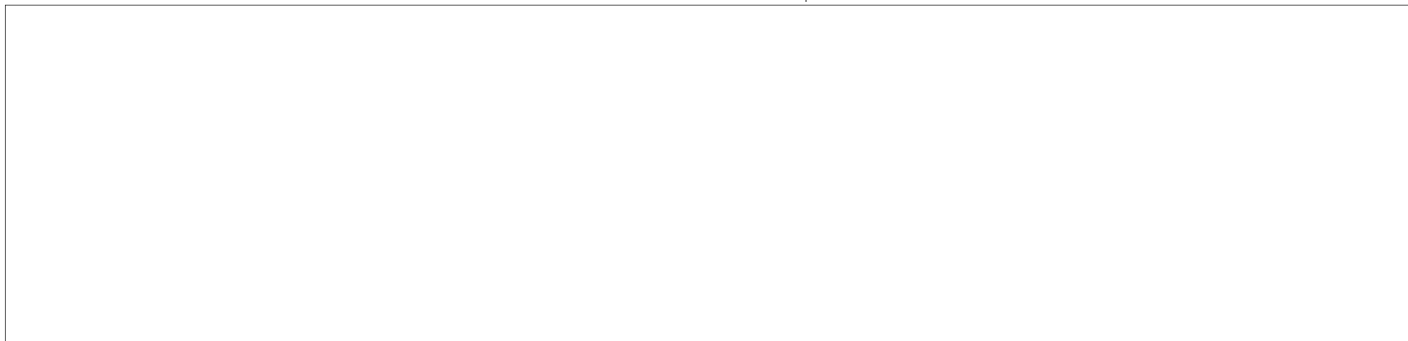
Talking points:

[Redacted]

B6

B5

B5



B5