

# Okavango oil & gas drilling, Namibia & Botswana

- international -

**Sectors:** Oil and Gas Extraction

## Active

This profile is actively maintained

Send [feedback](#) on this profile

**By:** BankTrack & Saving Okavango's Unique Life (SOUL)


Created on: **May 21 2021**

Last update: **Feb 6 2022**

## Contact:

ryan[@]banktrack.org

[Project website](#)

<b>Sector</b>	<b>Oil and Gas Extraction</b>
<b>Location</b>	
<b>Status</b>	Planning <u>Design</u> Agreement Construction Operation Closure Decommission
<b>Website</b>	<a href="https://reconafrika.com/">https://reconafrika.com/</a>

## About Okavango oil & gas drilling, Namibia & Botswana

Reconnaissance Energy Africa, a Canadian oil and gas company, has drilling plans in the Kavango Basin in north-eastern Namibia and north-western Botswana. In Namibia, the company holds a 90% share in an exploration license covering an area of over 25,000 square kilometres (6.3 million acres). The remaining 10% share is owned by the Namibian government through the state oil company, NAMCOR. In northwest Botswana, ReconAfrica holds a 100% share in a license covering an area of around 9,000 square kilometres (2.2 million acres). First exploration drilling is currently taking place in Namibia. According to experts the company's estimate of 120 billion barrels of oil in place is highly questionable. The Namibian Petroleum Agreement provides [ReconAfrica](#) with the exclusive right to obtain at least a 25-year production license, with a possible 10-year renewal. The Botswana agreement gives ReconAfrica the right to enter into a 25-year production license with a 20-year renewal period.

## Latest developments

### Canadian oil company illegally bulldozes protected land in Africa

Feb 23 2022

### Oil company accused of drilling in African wildlife reserve, offering jobs for silence

Dec 13 2021

## Why this profile?

ReconAfrica has begun drilling for oil and gas in the Kavango Basin, home to what has been described as the largest oil play of the decade. Beyond being incompatible with combating climate change, the project faces growing opposition from local and

[indigenous communities](#) and international allies as it affects an environmentally sensitive area which is home to Africa's largest remaining population of savanna elephants and many other [threatened species](#).

## What must happen

Banks should avoid financing ReconAfrica or any activities connected with oil and gas drilling in the Okavango Basin, and regulators should investigate the company for potential fraud. Not only has the Ministry for Agriculture, Water and Land Reform confirmed that the company is operating [without permits for water abstraction and disposal of waste water](#) but National Geographic revealed that a whistleblower [complaint](#) was filed with the US Security and Exchange Commission. Furthermore, infamous short-selling [research firm Viceroy](#) has suggested that the company is “drilling blind” and has not found any recoverable oil at all, and German financial regulator [BaFin says](#) it has opened an investigation into the company.

# Impacts

## Social and human rights impacts

**Inadequate consultation with local communities:** The company's licensed region is home to some 200,000 people, making a living from farming, fishing and tourism. The license area is home to the First Nations San and Kavango peoples. Many are worried that extensive oil drilling could drive away wildlife and visitors ([Yale Environment](#)).

Many communities and organisations have reported that they were [inadequately consulted](#) or were left unaware of the oil project. Max Muyemburuko, chairperson of the Kavango East Regional Conservancy Association, confirmed to [Mongabay](#) that they have not been contacted by ReconAfrica or the Namibian government about plans for oil and gas production in the region. When trying to officially clarify aspects Max Muyemburuko was [verbally abused and accused](#) of working for foreign stakeholders.

ReconAfrica is facing a series of complaints as it initiated exploration on private land without a permit and does not respect the company's seismic survey permit. For instance, ReconAfrica drilled its second test well on the farm of the Sinonge family in Mbambi village, who [did not agree](#) to the use of its land. To obtain its rehabilitation, Andreas Sinonge lodged [a complaint](#) before the High Court of Namibia. [Six other families](#) are part of a complaint from the Legal Assistance Centre, a Namibian human rights organization, because ReconAfrica representatives “entered their properties without permission, concluded seismic survey activities, and compelled them to sign papers without explaining their contents before leaving”.

**Impacts on Indigenous people:** Free, Prior and Informed Consent (FPIC) from the indigenous inhabitants has not been obtained. KhoiSan leaders in South Africa handed over [a petition](#) to the Namibian Embassy in Pretoria, emphasising that the San peoples of Namibia's Free, Prior and Informed Consent (FPIC) had not been obtained for issuance of the exploration licence and commencement of drilling. The KhoiSan therefore stand in solidarity with the Namibian San in rejecting the project.

**Risks to water:** Namibia is the [driest country in sub-Saharan Africa](#), and water is scarce in the region. Within this area, the Okavango delta and Kavango basin are desert oases. Drilling for oil will require large quantities of water, and there are [grave concerns](#) about both use of water and pollution from oil drilling activities, including fracking.

Surina Esterhuyse, a geohydrologist at the University of the Free State, South Africa, commented: “There is a serious lack of knowledge on groundwater resources in the target oil and gas extraction area. The possible impact on the water resources in Namibia and Botswana is the biggest concern.” ([Mongabay](#).)

ReconAfrica's record to date does not inspire confidence. According to a media release from [Saving Okavango's Unique Life \(SOUL\)](#) issued in February, one of the company's first containment ponds for drilling waste had not been lined at all, meaning pollution waste draining into the ground.

**Inadequate Environmental Impact Assessments:** The Environmental Impact Assessment (EIA) submitted by ReconAfrica has several problems, some of which are being highlighted in the [briefing](#) by the Save the Okavango Delta group. Various experts have also raised questions about the accuracy of the flora and fauna report. So far, the Namibian Ministry for the Environment has approved the EIA for two test wells and [2D seismic surveys](#).

## Environmental and climate impacts

**Climate impacts:** ReconAfrica has [promoted the idea](#) that the basin – touted as the “largest oil play of the decade” - has the potential to produce as much as [120 billion barrels of oil equivalent](#). New oil and gas extraction projects such as this one are clearly

incompatible with the goal of avoiding catastrophic climate change, and the International Energy Agency's [Net Zero pathway](#) confirms that meeting the world's target of avoiding warming over 1.5 degrees Celsius means no new oil and gas projects. Based on ReconAfrica's projections, Fridays for Future Windhoek calculated that the project could generate up to 51.6 gigatonnes of CO<sub>2</sub>, the equivalent of one sixth of the world's remaining carbon budget. The project therefore constitutes a '[carbon bomb](#)'.

**Impacts on wildlife and biodiversity:** The Kavango basin is one of Africa's most biodiverse habitats, home to a myriad of birds and megafauna species, including Africa's largest remaining population of savanna elephants, African wild dogs, lions, leopards and giraffes (See [Yale/Greenpeace](#)). Extensive oil development in this region, with its attendant network of roads, rigs and pipelines, would pose a clear threat to this wildlife.

**Protected areas:** Full scale development during the envisaged production period of 25 years will very likely have a direct negative impact on the flora and fauna of the Okavango Delta, a protected World Heritage Site. In August 2021, UNESCO's World Heritage Committee [expressed concern](#) and urged Botswana and Namibia to "ensure that potential further steps to develop the oil project ... are subject to rigorous and critical prior review". In January 2022 a group of NGOs found that Recon was [clearing virgin forest](#) in protected areas to construct a road, until stopped by the area's conservancy manager.

In addition, much of [ReconAfrica's](#) license is within the Kavango–Zambezi Transfrontier Conservation Area (or KAZA TFCA), a conservation initiative covering 520,000 square kilometres (201,000 square miles) of Angola, Botswana, Namibia, Zambia and Zimbabwe ([Mongabay](#)), as well as overlapping with six locally managed wildlife reserves ([National Geographic](#)).

**Concerns around fracking:** ReconAfrica has constantly and repeatedly highlighted that their [main target are possible shale resources](#) in the Kavango basin. Any so-called conventional resources (those exploitable by drilling) will be merely a by-catch. This is also clearly outlined by the [presentation](#) given by the founder of ReconAfrica, Craig Steinke, in May 2020, and by the fact that the company has [hired](#) – amongst other shale experts – the “father of modern-day fracking”, Nick Steinsberger.

ReconAfrica also confirms the need for fracking operations in its [July 2020 report](#) where the company compares the Kavango Basin with the Karoo Basin in South Africa. ReconAfrica also expresses the opinion that they are confident of obtaining access to scarce water over the envisaged production period of at least 25 years – although they are clearly operating in a very arid area. Despite this, the company and the Namibian government [have since said](#) no fracking will take place.

There are [numerous proven risks and impacts](#) related to the development of fracking projects, such as industrialization of former rural areas, heavy freshwater consumption, water and soil contamination, public health impacts and a significant contribution to global warming. Even without fracking, however, it is clear that a step-by-step industrialisation of an almost untouched landscape will be the consequence of oil and gas exploitation in the licensed areas. This process will require a huge amount of fresh water in a vast water-deficient region.

## Other impacts

**Claims of misleading investors:** In May 2021 ReconAfrica was subject of a whistleblower complaint filed with the U.S. Securities and Exchange Commission (SEC), reported by [National Geographic](#). The complaint alleges the company fraudulently misled investors by misrepresenting its work on the project, in order to drive up its stock price. The complaint cites more than 150 instances of misleading statements by ReconAfrica, and claims the company is violating US securities laws by promoting revenue projections to investors based on activities such as fracking for which it has not secured permission or permits. In September 2021, civil society groups submitted a [request](#) to the Canadian TSX Venture Exchange to investigate potential misrepresentations in the disclosures and public communications of ReconAfrica.

**Corruption:** ReconAfrica has been pointed out for offering jobs to [buy silence](#). Max Muyemburuko is both Chairperson of Kavango East and West Regional Conservancy and Community Forest Association and chairman of Muduva Nyangana Conservancy, operating within ReconAfrica's license areas. In September 2021, he declared that he was offered a job to monitor wildlife on behalf of ReconAfrica. He interpreted this offer as bribery and an attempt to be silenced due to large criticism ReconAfrica is facing, because of the company's degradation of the environment and the [illegality of its activities](#).

---

## Governance

### Applicable norms and standards

**1992 United Nations Framework Convention on Climate Change**

**Convention on Wetlands of International Importance**

**IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement**

**IFC Performance Standard 7: Indigenous Peoples**

**IFC Performance Standard 8: Cultural Heritage**

**International Labour Organization Convention 169**

**OECD Guidelines for Multinational Enterprises**

**Principles for Responsible Banking (PRB)**

**The Paris Agreement**

**UN Guiding Principles on Business and Human Rights**

**UNESCO World Heritage Convention**

**United Nations Declaration on the Rights of Indigenous Peoples**

**Universal Declaration of Human Rights**

## Brief history

ReconAfrica was formed in August 2019 as the result of the reverse takeover of Lund Enterprises and Reconnaissance (see the 2019 [Investor Presentation](#)). As part of the takeover, it [acquired](#) the rights to explore for oil and gas in Namibia's northeast in Kavango East and West Regions. These rights were originally purchased in 2015 from Namibia's Ministry of Mines and Energy by a Canadian company called 1163631 BC Ltd, acquired by ReconAfrica. The Namibia and Botswana licenses are virtually the company's only assets globally.

On 21 December 2020, Reconnaissance Africa company [began drilling](#) the first stratigraphic borehole near the village of Kawe in Namibia in the Kavango East province. Drilling is now underway at the second site on a farm owned by the Sinonge family in Mbambi. [The Sinonge family has lodged a high court case to get their farm restored](#) as they did not agree to the occupational use of their land. The company has also submitted an application for environmental clearance to undertake 2D seismic surveys along a 450 km route over their exploration license area.

According to company [documents](#) they will have to drill hundreds of wells in the targeted area to develop a commercial oil field. The parastatal Namibian Oil Corporation (NAMCOR) holds an interest of 10 per cent in the license. On the Botswana side, the company says that it holds the right to enter into a 25-year production license with a 20-year renewal period.

In April 2021 the company [announced plans to fully acquire Renaissance Oil Corp](#), which was a nearly [bankrupt company](#) that had partnered with Russian based Lukoil to produce oil from Mexico, but [lost its drilling rights](#) in mid 2019, possibly due to political changes and a potential [ban on fracking](#) in that country. The two companies share many of the same investors, directors and officers.

In April 2021 [ReconAfrica announced](#), with a disclaimer, that it found a "working petroleum system". In May it [confirmed](#) that it was 'spudding' (or beginning to drill) the second well and would finish that work in July 2021, and also [said in June](#) that their second well suggests a "working petroleum system". On July 30, 2021, ReconAfrica [initiated the 2D seismic program](#) in the Kavango Basin of Northeast Namibia. Later in 2021, the company provided [additional drilling results](#) and announced the company would launch the [second phase](#) of its multi-wells drilling programme in the first quarter of 2022.

## Timeline

### Canadian oil company illegally bulldozes protected land in Africa

**Feb 23 2022**

ReconAfrica is facing a series of complaints as it initiated exploration on private land without a permit and does not respect the company's seismic survey permit.

## Oil company accused of drilling in African wildlife reserve, offering jobs for silence

Dec 13 2021

In September 2021, he declared that he was offered a job to monitor wildlife on behalf of ReconAfrica. He interpreted this offer as bribery and an attempt to be silenced due to large criticism ReconAfrica is facing, because of the company's degradation of the environment and the [illegality of its activities](#).

## Namibia to licence production near Okavango Delta if Canadian firm finds oil

Nov 10 2021

Namibia intends to award a [25-year production licence](#) to Canada's ReconAfrica if it finds oil near the Okavango Delta, Energy Minister Tom Alweendo said, despite concerns it could affect the region's rich biodiversity.

## Drilling operations on second well completed

Jul 14 2021

ReconAfrica and NAMCOR (the state oil company of Namibia) [announced](#) July 14, 2021 the completion of drilling operations of the second stratigraphic test well (6-1).

## ReconAfrica & NAMCOR granted 2D Seismic Permit

Jul 2 2021

On July 2, 2021 Namibia's Ministry of Environment, Forestry and Tourism issued the Environmental Clearance Certificate (ECC) for the initial low-impact 2D seismic program to be conducted in Petroleum Exploration License No. 73 in the Kavango East and Kavango West regions of Namibia. With the [ECC seismic permit](#) now in place, ReconAfrica and NAMCOR (the National Oil Company of Namibia) have begun acquisition of the initial 450 km 2D seismic program in the Kavango Sedimentary Basin.

## Working Petroleum System Discovered

Jun 4 2021

ReconAfrica [announced](#) the drilling of the first well was completed in March 2021 and that preliminary results were showing the discovery of a working petroleum system in the Kavango Basin.

[According to the company](#), its second well provides more evidence of a working petroleum system

## Test drilling programme now in progress

Dec 31 2020

In December 2020, Reconnaissance Energy Africa (ReconAfrica) [started drilling](#) on the first of three wells in north-eastern Namibia.

## Financiers

Currently ReconAfrica is funding its activities from its share capital, which has been raised through securities offerings and non-brokered private placements.

Most known shareholders of ReconAfrica are individual investors who are involved in the management of the company. Two institutional shareholders have been identified:

- Invenomic Capital Management holds 0.08% of the shares and invested USD 0.05 million,
- FNB Bancorp holds 0.04% of the shares and invested USD 0.03 million.

## Banks

[First National Bank - FNB](#)

Details ▼

Equity – share owner/manager

2020

FNB Bancorp holds 0.04% of the shares and invested USD 0.03 million, under its FNB Wealth Management subsidiary.  
*source: Thomson Eikon*

---

## Related companies

### Project sponsor

**Reconnaissance Energy Africa Ltd. ("ReconAfrica")** Canada

British Columbia, the surviving entity of the 116 / Lund Merger. Publicly traded as RECAF on the OTC and RECO in Canada.