

Written Testimony, April 8, 2014
“American Energy Jobs: Opportunities for Women and Minorities”

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Mr. Chairman Lamborn and Committee Members:

Thank you for giving me an opportunity to provide testimony to the Committee on Natural Resources, Subcommittee on Energy and Mineral Resources about this important topic, “American Energy Jobs: Opportunities for Women and Minorities.”

I am the Chairman and Chief Executive Officer of CAMAC Energy, an independent oil and gas exploration and production company focused on energy resources in Africa. Our asset portfolio consists of nine production and exploration licenses in four countries covering 10 million acres. We have existing production and other major projects offshore Nigeria, as well as exploration licenses with significant hydrocarbon potential onshore and offshore Kenya, offshore Gambia, and offshore Ghana. Headquartered in Houston, Texas, CAMAC Energy is listed on the New York Stock Exchange (NYSE: CAK) and on the Johannesburg Stock Exchange (JSE: CME).

I grew up in Ibadan, Nigeria – watching my mother successfully operate her own textile and custom tailor shop and my father serve as a political and community leader. I migrated to America in 1977 to pursue my education at Fort Valley State College in Georgia. After obtaining a bachelor’s degree in chemistry from Texas Southern University in Houston, I went to work for Dresser Industries as a research chemist. Dresser funded my master’s degree in business administration and marketing from Prairie View A&M University in Prairie View, Texas.

The early beginnings of CAMAC go back to 1986 when I began trading tobacco part-time while working at Dresser Industries. Trading was something I knew very little about, but I soon realized that any fledgling enterprise required gumption, a can-do attitude, and a strong management team. To transition into a Nigerian energy venture, I needed U.S. oil partners. However, the connections and opportunities didn’t come easily and the close-knit networks were difficult to penetrate. It was challenging to secure financing as a minority-owned start-up. Without any oil patch experience, we were trudging uphill to find partners. CAMAC was turned down 19 times over a span of two and a half years. Yet, after much persistence, Conoco took a chance on our Nigerian exploration and production program. In time, we added several other partners. I can’t even begin to tell you how difficult it has been to become one of the few minority-owned companies listed on the New York Stock Exchange.

Our progress has been based on the talent, skills, and reliability of our staff, which comprises 93 percent women and minorities. Women fill 25 percent of CAMAC's senior-level positions and 14 percent of our board of directors. It is a known fact that corporate boards with one or more women outperform those without women.

I have always believed that there can be no true global or U.S. economic progress without diversity and sincere inclusiveness for women and minorities. We at CAMAC understand that in order to remain competitive in the global market, CAMAC must continue to hire and promote talented, qualified women and minorities into management. If we fail to do so, our company will miss out on a significant pipeline of employees as the industry expands and aging workers retire in the years ahead. The shortage of manpower will become even more acute than it is currently and exacerbate due to expansions and employee retirements in the U.S. energy industry.

Certainly petroleum engineering, management, and white-collar positions hold great promise and the reward of good salaries for women and minorities in the energy sector, but so do jobs in the vocational and skilled trades. It is estimated that potentially 50,000 new vocational and blue-collar workers will be needed in southeast Texas to fill the workforce gap over the next five to ten years. Generally, minority women are unaware of these technical careers and how to prepare for them. Urgent steps are required now to steer them from traditional female, low-paying occupations into technical careers that have high-income potential.

CAMAC is taking an active role in preparing the next-generation energy workforce. Through our internship program, we provide coaching, guidance, development, and broad experiences in petroleum engineering, geosciences, accounting, and finance. In addition, we fund educational scholarships and endowments for petroleum and engineering programs in the United States, as well as in Nigeria and South Africa.

In 1992, CAMAC originally financed a \$650,000 educational endowment at the Cullen College of Engineering at the University of Houston. Today the endowment is up to \$1 million. In 2009, we pledged and financed a \$1 million Scholarship Fund for students studying international business and for the development of the Lawal Center for Global Trade at the Texas Southern University Jesse H. Jones School of Business. The CAMAC Foundation supports scholarship programs on a regular basis benefiting Historically Black Colleges and Universities (HBCUs). The Foundation also contributes to the Zuma Trust Fund - Education in South Africa, The Lawal Foundation - Education Nigeria, and the Houston Livestock Show and Rodeo, which raises scholarship money to benefit American students.

Yet, times remain challenging for women and minorities struggling to obtain the skills, degrees, post-secondary training, trade certifications, and mentorships needed to break into the energy industry. The private and public sectors must do more to fill the gap in career opportunities. And when these opportunities surface, women and minorities should step on to an even playing field and be able to develop their professional and leadership skills in an environment that respects differences among people. Unfortunately, racism and established networks are still major hurdles in hiring and retaining minorities and women in the U.S. energy industry.

The creation and promotion of more opportunities for women and minorities in the oil and gas industry have the potential to affect future generations of families. Energy jobs can help women, who are increasingly becoming the heads of their households, overcome generations of entrenched poverty and low-paying, dead-end jobs. Energy jobs can economically vitalize and change the course of minority families and communities.

To ensure an adequate supply of energy employees in the years to come, the industry must conduct focused, strategic hiring of minorities and women and provide development, training, mentoring and early leadership opportunities. Another way that the energy industry could assist is by providing internships to foreign nationals who are studying in the states for advanced engineering degrees. Many of these foreign nationals are not allowed to participate in internships while attending college, so when they graduate and start working at U.S. companies, they find themselves disadvantaged compared to their peers who have participated in two to three internships.

In addition, we must heighten interest in math, science, engineering, and technology studies among inner-city high school students through scholarship and guidance counseling initiatives. Some students are not aware of the many, diverse careers that the energy industry affords. But that is changing in Houston with the Energy Institute High School – believed to be the first high school in the nation to focus on careers in oil, gas, other energy sources, and technologies. The school, which opened in August 2013, provides a well-rounded curriculum, including energy topics, and enables students to lunch with energy executives and tour energy corporations. In a short time, the Energy Institute has garnered a great deal of support from Houston-area energy companies, including promises to provide internships for students nearing graduation.

These types of initiatives even the playing field, but I'd like to suggest a few ways that this esteemed Subcommittee can impact job growth and strengthen opportunities for minorities and women. The first suggestion relates to partnerships and CAMAC's business model. We enter into partnerships to defray the costs of drilling exploratory wells. CAMAC obtains the drilling rights and because we have in-depth knowledge about African territories, we know how to maneuver the local, cultural and political landscapes. This expertise is highly beneficial to our large oil and gas partners, with whom we share profits. Through the skillful and effective use of strategic partnerships, CAMAC has been able to reach a level of business advancement as a minority-owned company.

Therefore, I encourage the Subcommittee to:

- Urge large energy corporations to enter into partnerships and joint ventures with qualified women/minority-owned companies as a means of generating mutually beneficial opportunities. Although CAMAC has a successful track record in exploration and production, opportunities are still too scarce for companies like us.
- Create stronger incentives for large and multinational energy corporations to hire, mentor, and contract with women- and minority-owned companies,

- Host forums and outreach initiatives that enable women- and minority-owned companies to gain access to and meet key decision makers and chief executives of large corporations,
- Provide tax incentives to large energy companies that award a predefined percentage of business to women- and minority-owned companies,
- Reward top energy corporations with national recognition and awards for proactively working with minority- and women-led companies.

We must do more to open up the energy industry to women and minorities. As I said earlier, there can be no true global or U.S. economic progress without diversity and sincere inclusiveness.

Mr. Chairman, I look forward to the strides we'll make as a nation and to the initiatives that this Subcommittee will undertake to ensure equity in the energy field. Thank you again for inviting me to participate in this important hearing.